



TO: Board of Supervisors, County of Monterey **DATE:** December 5, 2017

FROM: Jennifer Capitolo, Senior Policy Advisor, Nossaman LLP
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RE: State Legislative Program: 2017 Annual Report

On August 1, 2017, Nossaman LLP was selected to provide state legislative advocacy services for the County of Monterey. Given the timing of the new contract, this report will cover the final four weeks of session, which ended on September 15, as well as significant actions by the Governor.

As the start of the 2nd year of the 2017-2018 session nears, Nossaman looks forward to representing the County at the State Capitol to achieve the goals outlined in the 2017-18 Legislative Program. We also look forward to implementing a new reporting and communications protocol to ensure members of the Board of Supervisors and County staff are kept up to date on the County's priority issues. We welcome your feedback as we refine these new processes.

Nossaman Accomplishments in 2017

Nossaman has collaborated with the County to achieve the following legislative accomplishments:

- Assisted the CAO-IGLA Office with significant updates to the County's Legislative Program for 2018.
- Coordinated regular meetings with Senator Monning, Senator Cannella, Assemblywoman Caballero and Assemblyman Stone to encourage regular and ongoing communications regarding legislative priorities of the County.
- Attended weekly CSAC meetings for County lobbyists to coordinate the County's advocacy efforts with CSAC.
- Assumed management of two County-sponsored bills:
 - SCR 57 (Cannella): This bill would designate specified portions of State Highway 183, State Highway 101, and State Highway 21, in the County of Monterey as memorials to four veterans from the County. This is a 2-year bill.
 - SB 193 (Cannella): This bill would exempt the movement of white bass between Lake Nacimiento and Lake San Antonio through the Interlake underground tunnel or pipeline from certain provisions relating to fish and wildlife. This is a 2-year bill and may be amended next year if it is necessary to facilitate the construction of the Interlake Tunnel.
- Specific to the County's positions on legislation:
 - Supported 22 bills.

- Opposed 2 bills.
 - Of the bills supported by the County, 7 bills were signed and 2 vetoed.
 - None of bills the County opposed were signed, one was vetoed.
 - Two bills on which the County took a “watch” position were signed, one was vetoed.
 - Seven bills on which the County had a position are two-year bills.
- Advocated in support of SB 5 (De Leon) to enact the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act of 2018, which, if approved by the voters, would authorize the issuance of bonds in an amount of \$4,000,000,000 to finance a drought, water, parks, climate, coastal protection, and outdoor access for all program. Also, communicated the County's park priorities to the Monterey County legislative delegation to assist in the negotiations on SB 5 (De Leon), the Park Bond. This bill was signed by the Governor.
 - Assisted the County in supporting AB 21 (Kalra), which would require the California State University, California Community Colleges and each Cal Grant eligible independent institution of higher education, as well as request the University of California, to establish various policies and actions to be implemented by these institutions to safeguard against immigration enforcement activities on campuses. This bill was signed by the Governor.
 - Assisted in supporting AB 28 (Frazier) to remove the recent January 1, 2017 sunset on the delegation of National Environmental Policy Act (NEPA) responsibilities to Caltrans, thereby extending the authority until January 1, 2020. This bill was signed by the Governor.
 - Assisted the County in supporting AB 300 (Caballero) to allow Monterey County to establish an individualized county child care subsidy plan. The Governor's signing message directed the Administration and the Department of Education to work with the County to implement whatever administration or statutory changes are needed to reduce the bureaucratic burden in the development and oversight of these programs. Nossaman will continue to assist the County, as needed, in coordinating these changes to ensure these programs are available to families in Monterey County. This bill was signed by the Governor.
 - Assisted the County in supporting SB 2 (Atkins) to enact the Building Homes and Jobs Act which would impose a fee, except as provided, of \$75 to be paid at the time of the recording of every real estate instrument, paper, or notice required or permitted by law to be recorded, per each single transaction per single parcel of real property, not to exceed \$225, to support affordable housing development. This bill was signed by the Governor.
 - Assisted the County in supporting SB 3 (Beall) to enact the Affordable Housing Bond Act of 2018, which would authorize the issuance of bonds in the amount of \$3 billion pursuant to the State General Obligation Bond Law. Proceeds from the sale of these bonds would be used to finance various existing housing programs, as well as infill infrastructure financing and affordable housing matching grant programs. This bill was signed by the Governor.
 - Assisted the County in opposing SB 649 (Hueso) which would have established a uniform permitting process for small cell wireless equipment and fixes the rates local governments

may charge for placement of that equipment on city or county owned property, such as streetlights and traffic signal poles. The Governor vetoed this bill and in his message he stated that the proposal took away too much control from local government.

- Provided ongoing support for SB 623 (Monning) and AB 747 (Caballero) to fund a reliable, safe, clean drinking water supply for all Californians. Both of these are 2-year bills and may be considered in 2018.

2017 Legislative Recap

In 2017, the Legislature passed and the Governor signed a number of bills related to the County's priority issues, including:

SB 1 (Beall and Frazier): April 28, 2017, Governor Brown signed SB 1, a landmark transportation funding package that is the culmination of more than two years of work by Senate Transportation and Housing Committee Chair Jim Beall, Assembly Transportation Committee Chair Jim Frazier and the Governor's Administration. The final package required a 2/3-vote in the Legislature and passed by a vote of 27-11 in the Senate and 54-26 in the Assembly. The \$5.24 billion/year funding package generates new revenues from various taxes and fees and is designed to repair and maintain our state highways and local roads, improve our trade corridors, and support public transit & active transportation. The funding package also advances a constitutional amendment – ACA 5 (Frazier and Newman) – to dedicate for transportation purposes all vehicle fee and gasoline or diesel tax revenues raised by the bill, as well as some existing transit funding sources. ACA 5 will be before voters in June 2018, and will require a simple majority to pass. Various state agencies and departments are developing develop new allocation rules, guidelines, and procedures for allocating the revenue provided by SB 1 (Beall and Frazier). Nossaman is engaged in this process, on behalf of the County, to ensure that the rules and procedures that are established provide flexibility and do not impede efficient project delivery. SB 1 is facing a repeal effort, which could potentially be on the November 2018 Ballot.

Affordable Housing: On Friday, September 29th, Governor Brown signed a long-anticipated package of 15 housing-related bills. Taken together, the bills address a wide swath of issues affecting housing production and affordability, including: funding for subsidized housing development, requirements for entitlement and permit streamlining, and tools for local and state agencies to enforce local planning obligations. The core bills include, SB 35 (which provides a streamlined entitlement process for qualifying projects), and SB 2 and SB 3 (both of which are intended to provide much-needed funding for affordable housing).

SB 5 (DeLeon): Under the leadership of Senate Pro Tem Kevin de León and Assemblymember Eduardo Garcia, both the Senate and Assembly worked with the Governor's administration to reach a deal on the \$4 billion park and water bond proposal. SB 5 provides \$2.83 billion in funding for parks and natural resource projects including \$1 billion to local parks throughout the state with the majority going to fund new parks in neighborhoods that are park poor. The bill also provides critically needed funding to protect the state's natural resources and wildlife with funding to protect coastal redwoods, Sierra forests, and rivers, lakes, and streams in all parts of the state. SB 5 invests in improving California's resilience to climate change. It includes a broad portfolio of investments that address the challenges to protect coastal resources and maintaining healthy natural systems that provide clean air and water. The measure also allocates \$1.27 billion in funding for water related investments including safe drinking water projects, groundwater cleanup

and management as well as funding to better protect California communities from the threats of drought and flood. SB 5 will be submitted to the voters at the June 5, 2018 election.

Cap and Trade Extension: Lawmakers approved a 10-year extension for California's cap-and-trade program. Under cap and trade, businesses buy and sell credits for their emissions, allowing the state to cap overall greenhouse gas emissions and raise money to fight pollution. The vote came with bipartisan support, a significant shift from previous years where climate policies squeaked by along party lines or with only a handful of Republicans in favor. Cap and trade requires companies to buy permits to release greenhouse gas emissions. The legislation, Assembly Bill 398, will continue the program until 2030. Lawmakers also approved related legislation, Assembly Bill 617, to improve air quality in polluted communities.

SB 54 (De Leon): Lawmakers passed a "sanctuary state" bill to protect immigrants without legal residency in the U.S., part of a broader push by Democrats to counter expanded deportation orders under the Trump administration. The legislation is the most far-reaching of its kind in the country, would limit state and local law enforcement communication with federal immigration authorities, and prevent officers from questioning and holding people on immigration violations. After passionate debate in both houses of the Legislature, SB 54 was approved with a 27-11 vote along party lines. The bill signed by Governor Brown was drastically scaled back from the version first introduced, the result of tough negotiations between Brown and De León in the final weeks of the legislative session.

Governor's Actions in 2017

- Total Bills Acted Upon by the Governor: 977
 - Bills Signed into Law: 859 (88%)
 - Bills Vetoed: 118 (12%)
- Of the 859 bills that the Governor signed this year, 567 were Assembly Bills and 292 were Senate Bills.
- Of the 118 bills that the Governor vetoed this year, 84 were Assembly Bills and 34 were Senate Bills.
- 1,733 total bills were introduced in the Assembly in 2017 (1,687 by the 2/17 introduction deadline)
 - 37.5% got to the Governor's Desk with 32.7% getting signed and 4.8% getting vetoed
- 817 total bills were introduced in the Senate in 2017 (808 by the 2/17 introduction deadline)
 - 39.9% got to the Governor's Desk with 35.7% getting signed and 4.2% getting vetoed

Looking Ahead:

- **Two-Year Bills:** Nossaman is reaching out to legislative offices regarding the intent to move two-year bills that are of interest to the County. We will update the County as we gather information on these bills and their status. See attached Capitol Track report.
- **New Session:** The second year of the 2017-2018 Legislative Session begins on January 3 and electing a new Senate Pro Tem will likely be at the top of the list of early actions. The

legislative agenda for the 2018 session will be largely dependent on this leadership position. In 2017, Pro Tem Kevin De Leon stated early in the session that he wanted to focus on policies that would protect California from any actions taken by President Trump. We won't know the focus of the new Pro Tem until that person is elected. 2018 will also be an election year and we will have primaries in June for a number of State Senators including one member of the Monterey delegation, Senator Cannella. There are a number of important and potentially contentious measures that will appear on the June and November statewide ballots in 2018. Four legislative-sponsored measures are already qualified for the June ballot and one for the November ballot. The initiatives presently in circulation may only appear on the November ballot and must be qualified by the end of June 2018. The legislature has the ability to place measures on the June ballot by as late March and on the November ballot by as late as August. Nossaman will provide a summary of all the measures and initiatives in an upcoming legislative report, once we determine which will be most likely to qualify.

- **State Budget:** The Governor's proposed budget must be submitted by January 10. Nossaman plans to schedule a meeting with County staff to discuss State budget priorities and develop an action plan for engagement on these issues in 2018. According to the LAO, the near-term budget outlook is positive. Under current estimates, the state would have \$19.3 billion in total reserves (including \$7.5 billion in discretionary reserves) at the end of 2018-19, assuming the Legislature makes no additional budget commitments. The Legislature can use discretionary resources to build more budget reserves, increase spending, and/or reduce taxes.
- **Implementing the 2018 Legislative Program:**
 - Immigration – There may be additional legislation in 2018 as California lawmakers react to any upcoming actions by the Federal Government.
 - Healthcare - Senator Lara and members of the Senate and Assembly Health Committees are prepared to revisit a proposal for Single Payer Healthcare in 2018.
 - Bail Reform – Since the legislature was unable to pass reforms to the bail system in the last legislative session, they will likely refocus their attention on this issue in 2018.
 - Cannabis – The new framework for recreational cannabis going into effect in 2018 and there may be additional legislation to modify any challenges to implementation of the regulations. An additional topic of interest related to cannabis is banking and there is a working group looking into this issue.

County of Monterey – State Bill Track as of 11/20/2017

- AB 1** (Frazier D) Transportation funding.
Location: 1/19/2017-A. TRANS.
POSITION – SUPPORT
- 1/20/17 Letter to author.
Would create the Road Maintenance and Rehabilitation Program to address deferred maintenance on the state highway system and the local street and road system. Enacts several tax and funding measures to generate \$6 billion annually over a ten-year period.
- AB 21** (Kalra D) Public postsecondary education: Access to Higher Education for Every Student.
Location: 10/5/2017-A. CHAPTERED
POSITION – SUPPORT
- AB 26** (Caballero D) Child care and development: child care resource and referral programs: assistance to license-exempt child care providers.
Location: 10/12/2017-A. VETOED
POSITION – SUPPORT
- 4/11/17 Letter to author.
Requires the California Department of Education (CDE) to establish and administer a pilot program to support license-exempt child care providers in Monterey, San Benito, Santa Clara, and Santa Cruz Counties.
- AB 28** (Frazier D) Department of Transportation: environmental review process: federal pilot program.
Location: 3/29/2017-A. CHAPTERED
POSITION – SUPPORT
- 2/8/17 Testify Asm Approps
1/30/17 Testify Asm Trans
1/18/17 Letter to author
This bill would remove the 1/1/17 sunset on the delegation of National Environmental Policy Act responsibilities to Caltrans, thereby extending the authority indefinitely.
- AB 42** (Bonta D) Bail: pretrial release.
Location: 9/11/2017-A. INACTIVE FILE
POSITION – WATCH
- 5/26/17 per Leg. Committee
Revises the pretrial release system by limiting pretrial detention to specified persons, eliminating the use of bail schedules, and establishing pretrial services agencies tasked with conducting risk assessments on arrested person and preparing reports with recommendations for conditions of release.
- AB 300** (Caballero D) Child care & development services: individualized county child care subsidy plans: Counties of Monterey, San Benito, Santa Clara, and Santa Cruz.
Location: 10/12/2017-A. CHAPTERED
POSITION – SUPPORT
- 4/25/17 Testify Asm Human Services
4/11/17 Letter to author
Would authorize, until 1/1/25, Monterey, San Benito, & Santa Cruz Counties to develop individualized county child care subsidy plans.
- AB 318** (Caballero D) Pupil instruction: independent study: visual contact with pupil.
Location: 9/1/2017-S. 2 YEAR
POSITION - SUPPORT

4/27/17 Letter to author

Increases the frequency of communication between a pupil in independent study and certificated employees of a school district, charter school, or county office of education

AB 626 (Garcia, Eduardo D) California Retail Food Code: microenterprise home kitchen operations.

Location: 5/26/2017-A. 2 YEAR
POSITION – OPPOSE

5/2/17 Letter to author

This bill would include a microenterprise home kitchen operation within the definition of a food facility, and would define a microenterprise home kitchen operation to mean a food facility that is operated by a resident of a private home where food is prepared for a consumer and that meets specified requirements, including, among others, that the operation has no more than one full-time equivalent food employee and has no more than \$50,000 in verifiable gross annual sales.

AB 668 (Gonzalez Fletcher D) Voting Modernization Bond Act of 2018.

Location: 9/15/2017-S. INACTIVE FILE
POSITION – SUPPORT

4/18/ Letter to Sen. Elections

Places a \$450 million bond act on the June 5, 2018, statewide primary election ballot and authorizes the use of those bond funds for the purchase of specified voting equipment and related technology.

AB 696 (Caballero D) Department of Transportation: Prunedale Bypass: County of Monterey: disposition of excess properties.

Location: 10/4/2017-A. VETOED
POSITION – SUPPORT

4/5/17 Testify Asm Approps

3/13/17 Letter to author

Would require net proceeds from sale of excess properties acquired for a replacement alignment for Highway 101 (Prunedale Bypass) to be reserved in State Highway Account for programming and allocation by the commission, with TAMC concurrence, for other projects in the Highway 101 corridor.

AB 747 (Caballero D) Taxation: nitrogen-based fertilizer application: County of Monterey.

Location: 8/31/2017-S. RLS.
POSITION – SUPPORT

AB 1230 (Burke D) Small Business Development Center Program: appropriation.

Location: 3/27/2017-A. J., E.D. & E.

Calendar: 1/9/18 9 am - State Capitol, Rm 127, Asm. Jobs, Economic Development & the Economy, QUIRK-SILVA, Chair

POSITION – SUPPORT

4/12/17 Letter to author.

This bill would transfer \$2,000,000 from the General Fund to the California Economic Development Fund, with that amount appropriated to the California Development Fund for FY17-18 to provide a cash match for 6 regional lead centers that have contracts with the United States Small Business Administration to administer the federal Small Business Development Center Program in California, subject to a specified condition.

ACA 4 (Aguiar-Curry D) Local government financing: affordable housing and public infrastructure: voter approval.

Location: 4/24/2017-A. L. GOV.
POSITION – SUPPORT

4/10/17 Letter to author.

Would lower the constitutional vote threshold to 55% for both general obligation bonds and

special taxes, specifically for the construction, reconstruction, rehabilitation, or replacement of public infrastructure or affordable housing, or the acquisition or lease of real property for those purposes.

SB 1 **(Beall D) Transportation funding.**

Location: 4/28/2017-S. CHAPTERED
POSITION – SUPPORT

4/12/17 Thank you letters to Monning, Cannella, Caballero, Stone
4/3/17 Testify Asm Trans
4/3/17 Testify Sen. Approps
3/30/17 – Letter to author
3/8/17 Testify Sen. Gov & Finance
2/22/17 Testify Sen Env. Quality
2/14/17 Testify Sen Trans
1/20/17 Letter to author

Would create the Road Maintenance and Rehabilitation Program to address deferred maintenance on the state highway system and the local street and road system. Enacts several tax and funding measures to generate \$5.2 billion annually over a ten-year period. Monterey County would receive \$99 million over a ten-year period.

SB 2 **(Atkins D) Building Homes and Jobs Act.**

Location: 9/29/2017-S. CHAPTERED
POSITION – SUPPORT

3/15/17 Letter to author.

Would enact the Building Homes and Jobs Act. The bill would make legislative findings and declarations relating to the need for establishing permanent, ongoing sources of funding dedicated to affordable housing development. The bill would impose a fee, except as provided, of \$75 to be paid at the time of the recording of every real estate instrument, paper, or notice required or permitted by law to be recorded, per each single transaction per single parcel of real property, not to exceed \$225.

SB 3 **(Beall D) Veterans and Affordable Housing Bond Act of 2018.**

Location: 9/29/2017-S. CHAPTERED
POSITION – SUPPORT

3/30/17 Letter to author.

Would enact the Affordable Housing Bond Act of 2018, which would authorize the issuance of bonds in the amount of \$3B pursuant to the State General Obligation Bond Law. Proceeds from the sale of these bonds would be used to finance various existing housing programs, as well as infill infrastructure financing and affordable housing matching grant programs, as provided.

SB 5 **(De León D) California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act of 2018.**

Location: 10/15/2017-S. CHAPTERED
POSITION – SUPPORT

Would enact the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act of 2018, which, if approved by the voters, would authorize the issuance of bonds in an amount of \$3.5B pursuant to the State General Obligation Bond Law to finance a drought, water, parks, climate, coastal protection, and outdoor access for all program.

SB 10 **(Hertzberg D) Bail: pretrial release.**

Location: 9/6/2017-A. APPR.
POSITION – WATCH

This bill would revise pretrial release procedures by, among other things, requiring each county to establish a pretrial services agency, as specified.

- SB 54** **(De León D) Law enforcement: sharing data.**
Location: 10/5/2017-S. CHAPTERED
POSITION – WATCH
- 3/13/17 per Leg Cmte.
This bill limits state and local law enforcement agencies involvement in immigration enforcement and ensures that eligible individuals are able to seek services from and engage with state agencies without regard to their immigration status.
- SB 167** **(Skinner D) Housing Accountability Act.**
Location: 9/29/2017-S. CHAPTERED
POSITION – SUPPORT
- 2/22/17 Letter Sen. Human Services
This bill makes various changes to the Housing Accountability Act (HAA).
3/14/17 – Bill gutted and language amended into SB 708
- SB 193** **(Cannella R) MCWRA: Lake Nacimiento and Lake San Antonio: white bass.**
Location: 6/8/2017-S. N.R. & W.
POSITION – SUPPORT / SPONSOR
- 4/11/17 Letter to author & 4/11/17 WRA Letter to author
This bill would exempt the movement of white bass between Lakes Nacimiento and San Antonio through the proposed tunnel from the prohibition on transporting or possessing white bass.
- SB 222** **(Hernandez D) Inmates: health care enrollment.**
Location: 5/26/2017-S. 2 YEAR
POSITION – SUPPORT
- 4/3/17 Testify Sen. Health
2/22/17 Letter to Sen. Health
This bill requires county human services agencies to suspend Medi-Cal eligibility for incarcerated individuals for an indefinite timeframe, rather than terminating benefits after one year per the current one-year limitation in statute
- SB 373** **(Cannella R) Public contracts: design-build: Stanislaus Regional Water Authority.**
Location: 9/30/2017-S. CHAPTERED
POSITION – WATCH
- SB 477** **(Cannella R) Intercity rail corridors: extensions.**
Location: 9/1/2017-A. 2 YEAR
POSITION – SUPPORT
- 4/12/17 Letter to author.
Would authorize a JPA authority operating intercity rail service to expand service beyond statutorily defined corridor if specific conditions are met.
- SB 562** **(Lara D) The Healthy California Act.**
Location: 7/14/2017-A. 2 YEAR
POSITION – WATCH
- This bill would create the Healthy California program to provide comprehensive universal single-payer health care coverage and a health care cost control system for the benefit of all residents of the state.
- SB 594** **(Beall D) Flood risk: dam failure: expedited permit processing and approval: human life safety protection.**
Location: 8/21/2017-S. RLS.
POSITION – WATCH

- SB 623** (Monning D) Water quality: Safe and Affordable Drinking Water Fund.
Location: 9/1/2017-A. RLS.
POSITION - SUPPORT
- SB 649** (Hueso D) Wireless telecommunications facilities.
Location: 10/15/2017-S. VETOED
POSITION – OPPOSE
- 6/28/17 Testify Asm Local Govt
6/5/17 Letter to author
This bill establishes a statewide framework for streamlining the permit siting process of small cell wireless facilities that meet requirements. Requires an administrative permit in lieu of a discretionary permit, limits fees to \$100-\$850 for small cell installations in the utility right-of-way, ensures access to most vertical infrastructure in the utility right-of-way and also within a commercial or industrial zone. This bill also requires permits for wireless telecommunications facilities would be automatically renewed for equivalent durations, as specified.
- SB 687** (Skinner D) Health facilities: emergency services: Attorney General.
Location: 10/14/2017-S. VETOED
POSITION – WATCH
- 5/26/17 - per Leg Cmte.
This bill requires a non-profit corporation that operates a health facility that includes a licensed emergency center to obtain the consent of the Attorney General prior to a planned elimination or reduction in the level of emergency medical services provided.
- SB 708** (Skinner D) Supplemental Security Income and CalFresh: preenrollment.
Location: 5/26/2017-S. 2 YEAR
POSITION – SUPPORT
- 4/18/17 Letter to Sen. Human Services.
Would require the Secretary of the Department of Corrections and Rehabilitation to establish an MOU with the Social Security Administration to allow a person incarcerated in a correctional institution to apply for and receive a replacement social security card and to allow the SSA to process SSI claims under the prerelease program.
- SB 729** (Stone R) Local emergencies: applications for state assistance.
Location: 4/28/2017-S. 2 YEAR
POSITION – WATCH
- SCA 3** (Dodd D) Local government financing: public libraries: voter approval.
Location: 9/13/2017-S. INACTIVE FILE
POSITION – SUPPORT
- 6/21/17 Met w/ Cannella's staff re: tax concerns
3/29/17 – Testify in Sen. Gov and Finance
3/24/17 – Letter to author
Lowers the vote threshold for cities, counties, or library districts to issue bonds for library infrastructure projects from 2/3 to 55%.
- SCR 57** (Cannella R) Memorial highways.
Location: 9/15/2017-A. INACTIVE FILE
POSITION – SUPPORT / SPONSOR
- 6/5/17 - Letter to author.
This resolution would designate portions of SR 183 and SR 101 in the County of Monterey as memorial highways honoring four Monterey County veterans.