



TO: Monterey County Legislative Committee

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RE: Legislative Program: State Advocacy Updates

a. INAUGURATION OF GOVERNOR GAVIN NEWSOM

Gavin Newsom was sworn in Monday, January 7, 2019, as the 40th Governor of the State of California. Governor Newsom's inaugural remarks included comments on the economy, healthcare, housing, justice, California vs. Trump, early childhood education and his governing style. Governor Newsom rolled out a package of healthcare proposals and policies a few hours after his inauguration, including an executive order to create a new California surgeon general, and another that would consolidate the state's prescription drug negotiating power

b. STATE BUDGET

Gavin Newsom is expected to unveil his first governor's budget on Thursday, January 10, 2019. It will be the first reflection of his policy priorities. Over the next several months, the Legislature will review it and send its own version for Governor Newsom's approval. While the final budget has not yet been submitted, here's what we already know to be included:

- \$1.8 billion for early childhood education programs
- \$40 million for a second year of free community college
- Six months paid parental leave
- A health care overhaul that includes more access for undocumented immigrants and a new state surgeon general. Also, a restoration of Obamacare's individual mandate.

c. PREVIEWING LEGISLATION INTRODUCED IN THE 2019-2020 LEGISLATIVE SESSION

California lawmakers were sworn into office on December 3, 2018. Since that time, over 220 proposals, many of which are spot bills, were introduced. Among their priorities: A targeted tax credit and investments in early childhood education, efforts to expand mental health services, and expanding rental housing assistance. Of these bills, we have added 60 proposals thus far to legislative tracking for the County of Monterey and we are working with County staff to evaluate these proposals for possible positions. Below please find a summary of a few key bills and one bill for a recommended support position.

- **SB 5 (Beall) Local-State Sustainable Investment Incentive Program – RECOMMEND WATCH:** This bill would establish in state government the Local-State Sustainable Investment Incentive Program for economic development and affordable housing. Every city and county may apply to the authority to participate in the program and authorizes the committee to approve or deny applications. This bill, along with AB 11 (Chiu), has been

deemed "Redevelopment 2.0" and emphasizes affordable housing over the economic development. County staff members are in the process of reviewing this bill and will provide the analysis, along with a recommend a position, to the Legislative Committee in February.

- **SB 25 (Caballero) CEQA: qualified opportunity zones – RECOMMEND WATCH:** This bill would establish specified procedures for the administrative and judicial review of the environmental review and approvals granted for projects located in qualified opportunity zones that are funded, in whole or in part, by qualified opportunity funds, or by moneys from the Greenhouse Gas Reduction Fund and allocated by the Strategic Growth Council.
- **SB 36 (Hertzberg) Pretrial release: risk assessment tools – RECOMMEND WATCH:** This bill would require each county to maintain specified data for each individual, who has been arrested or detained, that undergoes an assessment using the risk assessment tool.
- **SB 51 (Hertzberg) Financial Institutions: cannabis – RECOMMEND WATCH:** This bill would create the Cannabis Limited Charter Banking and Credit Union Law to license and regulate cannabis limited charter banks and credit unions for the purpose of providing banking services to cannabis businesses. County staff is in the process of reviewing this bill and will provide the analysis, along with a recommend a position, to the Legislative Committee in February.
- **SCA 1 (Weiner) Public housing projects – RECOMMEND WATCH:** The California Constitution prohibits the development, construction, or acquisition of a low-rent housing project, as defined, in any manner by any state public body until a majority of the qualified electors of the city, town, or county in which the development, construction, or acquisition of the low-rent housing project is proposed approve the project by voting in favor at an election, as specified. This measure would repeal these provisions.
- **AB 10 (Chiu) Income taxes: credits low-income housing: farmworker housing – RECOMMEND WATCH:** This bill would increase California's Low Income Housing Tax Credit (LIHTC) by \$500 million. According to the Author, when partnered with federal funding, this bill would generate a new permanent source of over \$2 billion in funding for affordable housing annually. The result would be annual funding for 5,000 housing units affordable to low-income in California. County staff is in the process of reviewing this bill and will provide the analysis, along with a recommend a position, to the Legislative Committee in February. County staff members believe amendments are necessary before moving to a support position.
- **AB 11 (Chiu) Community Redevelopment Law of 2019 – RECOMMEND WATCH:** This bill allows cities and counties to create affordable housing and infrastructure agencies to fund affordable housing and infrastructure projects using tax increment financing with state approval. The new agencies would be required to set aside thirty percent of funding for the creation, improvement, or rehabilitation of affordable housing. County staff is in the process of reviewing this bill and will provide the analysis, along with a recommend a position, to the Legislative Committee in February. County staff members believe amendments are necessary before moving to a support position.
- **ACR 1 (Bonta) Immigration: Public Charges – RECOMMEND SUPPORT:** This bill would condemn regulations proposed by the U.S. Department of Homeland Security to prescribe how a determination of an alien's inadmissibility is made based on the likelihood that the

alien will become a public charge. This measure would also urge the federal government to reconsider and roll back the proposed regulations.

- **Human Right to Water/Safe Affordable Drinking Water Fund:** Senator Monning and others plan to reintroduce a proposal to ensure all California's have access to safe and affordable drinking water. As these proposals are flushed out, we will bring these proposals to the legislative committee.
- **Early Childhood Education:** Assemblyman Kevin McCarty has introduced multiple bill proposals and, as mentioned above, Governor Newsom is proposing a budget request to support early childhood education. Again, as these proposals are flushed out, we will bring these proposals to the legislative committee.

d. CSAC 2019 LEGISLATIVE PRIORITIES

In early December, Nossaman as well as many County Supervisors and County staff attended the Fall CSAC conference in San Diego. Below please find a summary of a few of the legislative priorities that were discussed as high priorities for CSAC in 2019.

Protect Local Land Use Authority while Promoting Housing Affordability: In 2019, the Legislature is poised to continue to focus on land use and housing issues. With housing affordability and the related homelessness crisis poised to once again be a high-priority issue in 2019, CSAC will continue to advocate for an appropriate balance between statewide goals for housing production and affordability and appropriate discretion for local communities in implementing these policies through locally-driven plans.

Landfill Management: As China and other counties refuse to take America's recyclable material, California counties and their solid waste partners will need to expand the capacity of landfills and increase rates for waste management services. In 2019, the Legislature will need to work with the Department of Resources Recycling and Recovery to focus on increasing California's waste management infrastructure and the development of domestic market solutions.

In-Home Support Services (IHSS): The sustainability of IHSS and 1991 Realignment will be a top legislative priority for CSAC in 2019. CSAC will work closely with the Administration and the Legislature on identifying sustainable pathways for counties to continue to successfully deliver realigned services, including IHSS and other critical programs, on behalf of the state.

Public Guardians/Administrators/Conservators: Public Administrators, Public Guardians and Public Conservators act under the authority granted by the California Superior Court, but are solely a county function and funded with county General Funds. The recent rise in interest in conservatorships as vehicles to help manage the homeless populations places a significant fiscal pressure on counties. CSAC will support the acquisition of additional and sustainable non-county resources for public guardians, conservators, and administrators to ensure quality safety-net services for all who qualify.