



Beverly Hills City Council Liaison / Legislative / Lobby Committee Meeting will conduct a Special Meeting, at the following time and place, and will address the agenda listed below:

**CITY OF BEVERLY HILLS
455 N. Rexford Drive
Room 280A
Beverly Hills, CA 90210**

IN-PERSON / TELEPHONIC / VIDEO CONFERENCE MEETING

**Beverly Hills Liaison Meeting
<https://beverlyhills-org.zoom.us/my/committee>
Meeting ID: 516 191 2424
Passcode: 90210**

**You can also dial in by phone:
+1 669 900 9128 US
+1 833 548 0282 (Toll-Free)**

**One tap mobile
+16699009128,,5161912424# US
+18335480282,,5161912424# US (Toll-Free)**

**Wednesday, September 6, 2023
2:00PM**

Please be advised that pre-entry metal detector screening requirements are now in place in City Hall. Members of the public are requested to plan visits accordingly.

In the interest of maintaining appropriate social distancing, members of the public can view this meeting through live webcast at www.beverlyhills.org/live and on BH Channel 10 or Channel 35 on Spectrum Cable, and can participate in the teleconference/video conference by using the link above. Written comments may be emailed to mayorandcitycouncil@beverlyhills.org and will also be taken during the meeting when the topic is being reviewed by the Beverly Hills City Council Legislative/Lobby Committee Meeting. Beverly Hills Liaison meetings will be in-person at City Hall.

AGENDA

A. Oral Communications

1. Public Comment

Members of the public will be given the opportunity to directly address the Committee on any item listed on the agenda.

B. Direction

1. S.5151 - End Hedge Fund Control of American Homes Act

Comment: This item is a request by Councilmember Mirisch for the City to consider taking a position on S. 5151. This bill would ban hedge funds and private equity

investors from owning large numbers of homes by establishing a \$20,000 federal tax penalty for each single-family home owned by a single company and its affiliates over 100 homes. The bill allows companies with large portfolios to sell homes over several years and includes incentives to make sure buyers of divested homes are people who will live in the home. Revenues generated from this tax are reserved for down-payment assistance programs.

2. **H.R.4232 - Excellence in Mental Health and Addiction Treatment Act of 2021**
Comment: At the August 15, 2023, City Council meeting, public comment was received requesting the City consider taking a position on H.R. 4232. Both Mayor Gold and Councilmember Mirisch directed H.R. 4232 be brought to the next Legislative / Lobby Liaison meeting. H.R. 4232 proposes to end homelessness and significantly reduce poverty in America by transforming the Housing Choice Voucher program into a federal entitlement, so that every household who qualifies for assistance would receive it. The bill would also ban housing discrimination based on source of income and veteran status.
3. **H.R. 3372 – 10-year Pilot Program for Trucks with 6-Axles**
Comment: On July 28, 2023, the City Council received an email requesting the City consider opposing H.R. 3372. Subsequent to receiving the email, a Councilmember requested the City consider opposing H.R. 3372. This bill would establish a voluntary 10-year pilot program for states to increase truck weights on federal interstates to 91,000 pounds on 6 axles. Current weight limits are 80,000 pounds on 5 axles.
4. **H.R. 1525 - Fifth Amendment Integrity Restoration (FAIR) Act**
Comment: This item is a request by Police Chief Stainbrook for the City to consider taking a position on S.2224. This bill would reform the civil forfeiture asset process.
5. **Senate Bill 94 (Cortese) - Recall and Resentencing: Special Circumstances**
Comment: This bill allows a person serving a prison sentence of life without the possibility of parole who meets certain requirements to file a petition in court seeking resentencing to a lesser sentence.
6. **Assembly Bill 1082 (Kalra) - Authority to Remove Vehicles**
Comment: This bill would remove the authority for law enforcement and local parking enforcement officials, not including higher education institutions, to tow and impound, or immobilize a vehicle that has five or more delinquent parking tickets. The bill would also revise the ability of local processing agencies, excluding higher education institutions, to refer delinquent parking violations to the Department of Motor Vehicles for collection with vehicle registration, and revise requirements for processing agencies to offer payment plans for payment of delinquent parking ticket fines and penalties.
7. **State Ballot Initiative 22-0008 – Expands Local Governments' Authority to Enact Rent Control on Residential Property**
Comment: This item is a request by Councilmember Mirisch for the City to consider taking a position on Ballot Initiative 22-0008, also known as the "Justice for Renters Act" (the Act). This Act would remove the ban on rent control in California, giving local communities the right to adopt ordinances to stabilize rent regardless of when the multi-family home is constructed.

8. Assembly Constitutional Amendment 13 (Ward) - Voting Thresholds

Comment: The League of California Cities is requesting local jurisdictions consider taking a position on ACA 13. The California Constitution provides that a proposed constitutional amendment and a statewide initiative measure each take effect only if approved by a majority of the votes cast on the amendment or measure. ACA 13 would further provide that an initiative measure that includes one or more provisions that would amend the Constitution to increase the voter approval requirement to adopt any state or local measure would be approved by the voters only if the proportion of votes cast in favor of the initiative measure is equal to or greater than the highest voter approval requirement that the initiative measure would impose.

9. Assembly Bill 309 (Lee) - The Social Housing Act

Comment: Assemblymember Lee has requested the City reconsider its position of oppose on AB 309 as this bill looks to identify and develop up to three social housing projects on state-owned surplus land deemed suitable for housing. The bill extends the “shot clock” for local jurisdictions to propose objective design review standards for the project from 60 days to 90 days. The bill authorizes local jurisdictions to propose modifications to the development to mitigate adverse impacts. However, the bill does prohibit a local jurisdiction from denying such project in their jurisdiction. Assemblymember Lee is requesting the City consider a position of neutral rather than oppose on this bill given the positive outcome for social housing.

10. A. Senate Bill 326 (Eggman) - The Behavioral Health Services Act; and

B. Assembly Bill 531 (Irwin) - The Behavioral Health Infrastructure Bond Act of 2023

Comment: On August 9, 2023, the Mayor received an email from the Office of the Governor asking the Mayor for a letter of support for SB 326 and AB 531. The primary aim of these two bills is to revitalize the Mental Health Services Act and to secure a \$4.86 billion bond to be placed on the state ballot. The funding would allow for the establishment of 10,000 new behavioral health community beds and housing facilities throughout the state. As the bills had no clear correlation to the City's adopted Legislative Platform, the Mayor, solely representing his support for this bill and not that of the City, sent a letter support on August 14, 2023 to the Governor's Office. Staff is now seeking the Legislative / Lobby Liaison Committee's direction on supporting this legislation such that the City may also support SB 326 and AB 531.

11. Senate Constitutional Amendment 7 (Umberg) - Employment: Workers' Rights

Comment: This measure would establish a broad-based constitutional right for any person in California to form or join a union and for that union to represent the person in collective bargaining with the person's respective employer as there is current federal and state law which excludes many people from collective bargaining rights depending on their position, their employer, or some other specific justification. The League of California Cities has issued a letter of concern to Senator Umberg.

12. Assembly Bill 504 (Reyes) -State and Local Public Employees: Labor Relations: Disputes

Comment: The League of California Cities is requesting local jurisdictions consider taking a position on AB 504. This bill would allow local public employees to refuse to enter property that is the site of a primary labor dispute, perform work for an employer

involved in a primary labor dispute, or go through or work behind a primary picket line. Would prohibit an employer from directing an employee to take those actions.

13. Senate Bill 253 (Wiener) - Climate Corporate Data Accountability Act

Comment: This bill requires any U.S.-based business with annual revenues in excess of \$1 billion and that does business in California to annually report the full range of greenhouse gas (GHG) emissions attributable to the business. This bill also specifies procedures for implementation and enforcement by the Air Resources Board (ARB). On August 7, 2023, the Legislative / Lobby Liaison Committee requested more information on SB 253. This item will provide an update on SB 253 based on the information requested by the Legislative / Lobby Liaison Committee.

14. Assembly Bill 972 (Maienschein) - Local Assistance and Grant Program Streamlining Workgroup

Comment: The League of California Cities is requesting local jurisdictions consider taking a position on AB 972 as they are the sponsor of this bill. This bill would coordinate, align, and streamline local government assistance resources to ensure that every community has the same opportunity to compete for state funding opportunities by convening a statewide, cross-agency Local Assistance and Grant Program Streamlining Workgroup, no later than April 2024.


15. Legislative Updates

Comment: Comment: The City's lobbyists will provide a verbal update to the Liaisons on various legislative issues.

16. Future Agenda Items Discussion

Comment: The Legislative / Lobby Committee Liaisons may request topics for discussion be added to the next agenda.

C. Adjournment


Huma Ahmed
City Clerk

Posted: September 1, 2023

**A DETAILED LIAISON AGENDA PACKET IS AVAILABLE FOR REVIEW AT
WWW.BEVERLYHILLS.ORG**



Pursuant to the Americans with Disabilities Act, the City of Beverly Hills will make reasonable efforts to accommodate persons with disabilities. If you require special assistance, please call (310) 285-1014 (voice) or (310) 285-6881 (TTY). Providing at least twenty-four (24) hours advance notice will help to ensure availability of services. City Hall, including the Municipal Gallery is wheelchair accessible.

Item B-1



CITY OF BEVERLY HILLS
POLICY AND MANAGEMENT

MEMORANDUM

TO: City Council Liaison/Legislative/Lobby Committee

FROM: Cynthia Owens, Municipal Affairs Program Manager

DATE: September 6, 2023

SUBJECT: S.5151 - End Hedge Fund Control of American Homes Act

ATTACHMENT: 1. Summary Memo – S.5151

[S.5151 - End Hedge Fund Control of American Homes Act](#) (S.5151) involves a policy matter that is not specifically addressed within the adopted Legislative Platform language. Councilmember John Mirisch has requested the City consider taking a position on this legislation.

The City's federal lobbyist, David Turch & Associates, provided a summary memo for S.5151 to the City (Attachment 1). The lobbyist will also provide a verbal update to the City Council Liaison/Legislative/Lobby Committee.

After discussion of S.5151, the Liaisons may recommend the following actions:

- Oppose S.5151;
- Support S.5151;
- Support if amended S.5151;
- Oppose unless amended S.5151;
- Remain neutral; or
- Provide other direction to City staff.

Should the Liaisons recommend the City take a position on the S.5151, then staff will place the item on a future City Council Agenda for concurrence.

Attachment 1

David Turch and Associates

TO: Cindy Owens, Municipal Affairs Program Manager
City of Beverly Hills

FROM: Jamie Jones
Jamie.jones@davidturch.com
202-543-3744

DATE: August 29, 2023

RE: End Hedge Fund Control of American Homes Act (S.5151)

Late last year (117th Congress), Senator Jeff Merkley (D-OR) introduced S.5151, the End Hedge Fund Control of American Homes Act, which bans hedge funds and private equity investors from owning large numbers of homes by establishing a \$20,000 federal tax penalty for each single-family home owned by a single company and its affiliates over 100 homes. The bill allows companies with large portfolios to sell-homes over several years to come into compliance so there's an orderly exit and includes incentives to make sure buyers of divested homes are ordinary people who will live in the home. To help ensure affordability for families, revenues from this tax are reserved for down-payment assistance programs.

Senator Merkley has yet to reintroduce his bill in the 118th Congress (2023-2024) – possibly later this year.

Under Senator Merkley's bill:

- Hedge funds and investors must sell at least 10% of the total number of single-family homes to families (not companies or any other businesses) per year and are banned from selling any single-family home to other corporations.
- The definition of an investor includes any taxpayer, whether they are a Hedge fund, and private equity investor, a Real Estate Investment Trust (REIT), an individual, or any other business entity.
- To ensure this tax penalty focuses on problematic actors, this legislation excludes nonprofit organizations, public housing agencies and other government entities as well as home builders. Eligible Buyers: Families only
- This legislation includes an explicit certification process for a purchaser to confirm that they do not own a majority interest in any other single family residential real estate.

BACKGROUND

According to Senator Merkley, large scale hedge fund investors are accelerating their acquisition of single-family homes, particularly in low-income neighborhoods. Data from 2021 show the fastest year over year increase in hedge fund home purchases in 16 years. For example, in 2021, large hedge fund investors bought 42.8% of homes for sale in the Atlanta metro area and 38.8% of homes in the Phoenix area.

Merkley points to a House Financial Services Committee report that found predatory hedge fund investors targeted homes in neighborhoods with significantly larger Black populations and approximately 30% more single mothers than the national average, with 12.9% of households headed by single women with children under 18.

Senator Merkley also highlights a 2018 study of foreclosed homes in Atlanta that found hedge funds and investors were 68 percent more likely than small landlords to file for evictions even after controlling for property, tenant, and neighborhood characteristics. Merkley claims hedge fund and other investors, to meet their return expectations, prioritize maximizing profits by imposing high rent increases, inflated fees, and diminishing quality of housing over time.

The End Hedge Fund Control of American Homes Act is aimed at helping to make single-family homes more affordable by mandating a strong ban on hedge funds owning and controlling large parts of the American housing market.

Item B-2



CITY OF BEVERLY HILLS
POLICY AND MANAGEMENT

MEMORANDUM

TO: City Council Liaison/Legislative/Lobby Committee

FROM: Cynthia Owens, Municipal Affairs Program Manager

DATE: September 6, 2023

SUBJECT: H.R.4232 - Excellence in Mental Health and Addiction Treatment Act of 2021

ATTACHMENT: 1. Summary Memo – H.R. 4232

[H.R.4232 - Excellence in Mental Health and Addiction Treatment Act of 2021](#) (H.R. 4232) involves a policy matter that may not have a direct statement in the City's adopted legislative platform for supporting this bill; however, there may be an indirect correlation between this bill and the following statements in the adopted legislative platform:

- Support additional funding for homeless and mental health outreach teams, as well as for programs targeting at-risk youth.
- Promote legislation that provides for increased services to or funding for at-risk populations such as elderly who require assistance, homeless, disabled and other challenged populations.
- Support legislation that addresses the need for housing and supportive services, (e.g. health, mental health and social services) for the City's homeless population

The City's federal lobbyist, David Turch & Associates, provided a summary memo for H.R. 4232 to the City (Attachment 1). The lobbyist will also provide a verbal update to the City Council Liaison/Legislative/Lobby Committee.

After discussion of H.R. 4232, the Liaisons may recommend the following actions:

- Oppose H.R. 4232;
- Support H.R. 4232;
- Support if amended H.R. 4232;
- Oppose unless amended H.R. 4232;
- Remain neutral; or
- Provide other direction to City staff.

Should the Liaisons recommend the City take a position on the H.R. 4232, then staff will place the item on a future City Council Agenda for concurrence.

Attachment 1

David Turch and Associates

TO: Cindy Owens, Municipal Affairs Program Manager
City of Beverly Hills

FROM: Jamie Jones
Jamie.jones@davidturch.com
202-543-3744

DATE: August 30, 2023

RE: Ending Homelessness Act of 2023 – HR 4232

Representative Maxine Waters (D-CA) introduced H.R. 4232, the Ending Homelessness Act of 2023, on June 21. The bill proposes to end homelessness and significantly reduce poverty in America by transforming the Housing Choice Voucher program into a federal entitlement, so that every household who qualifies for assistance would receive it. The bill would also ban housing discrimination based on source of income and veteran status. The bill has 30 Democratic cosponsors and is pending before the House Financial Services Committee.

BILL SUMMARY

The bill would:

- Expand and transform the Housing Choice Voucher program into a federal entitlement that would be phased in over eight years;
- Prohibit landlords from discriminating against renters based on source of income and veteran status;
- Appropriate \$10 billion in funding over 5 years for the Housing Trust Fund and McKinney Vento grants to fund the creation of permanent affordable housing for people experiencing homelessness;
- Provide funding for outreach and case management to connect persons experiencing homelessness to needed services, as well as for technical assistance to help states and local jurisdictions better align their healthcare and housing strategies;
- Permanently authorize the McKinney-Vento Homeless Assistance Act, which authorizes the main homeless assistance grant programs under HUD's jurisdiction; and
- Permanently authorize the U.S. Interagency Council on Homelessness, which serves a critical role in coordinating the overall federal strategy to end homelessness.

NEED FOR LEGISLATION

According to Representative Waters, the U.S. saw a continued increase in the number of people experiencing homelessness since the last pre-pandemic count in 2020, particularly among people experiencing unsheltered homelessness. On any given night, nearly 582,500 people have no other place to sleep than in emergency shelters, on the streets, and other places unfit for human habitation. People of color have been particularly hard hit and continue to experience disproportionate rates of housing instability and homelessness. While Democrats secured substantial new resources to address homelessness through pandemic relief legislation, which helped house over 140,000 people experiencing homelessness, much more is needed. When it comes to housing, America lacks the equivalent of the food stamps program, which, as a federal entitlement, kicks in as an automatic economic stabilizer to help American families afford food when they experience a sudden, drastic loss of income. By comparison, if someone is experiencing homelessness or housing instability, they essentially have to roll the dice and hope that they are lucky enough to get help; today, 4 out of 5 households who qualify for a Housing Choice Voucher are turned away.

Waters claims her bill is projected to fund the creation of 410,000 new units of housing for people experiencing homelessness and effectively end widespread homelessness and housing instability. Columbia University researchers also project that this bill would lift 9 million people out of poverty, reduce child poverty by over a third, and decrease racial disparities in poverty rates among Black and White households.

BILL SUPPORT

Stakeholder support for HR 4232 includes: Support: National Rural Housing Coalition, National ADAPT, National Coalition for the Homeless, OnTrack WNC, National Low Income Housing Coalition, National Alliance to End Homelessness, Center on Budget and Policy Priorities Catholic Charities USA, Children's Defense Fund, National Urban League, National Alliance on Mental Illness, National Fair Housing Alliance, National Coalition for Homeless Veterans, National Women's Law Center, National Leased Housing Association, National Housing Law Project, National Network to End Domestic Violence, Corporation for Supportive Housing, Arc of the United States, National Partnership for Women and Families, Housing Assistance Council, Center for Disability Rights, True Colors United, Local Initiatives Support Corporation, National Manufactured Home Owners Association, Food Research & Action Center, and the Consortium for Citizens with Disabilities Housing Task Force.

Item B-3



CITY OF BEVERLY HILLS
POLICY AND MANAGEMENT

MEMORANDUM

TO: City Council Liaison/Legislative/Lobby Committee
FROM: Cynthia Owens, Municipal Affairs Program Manager
DATE: September 6, 2023
SUBJECT: H.R. 3372 – 10-year Pilot Program for Trucks with 6-Axles
ATTACHMENT: 1. Summary Memo – H.R. 3372

[H.R. 3372 – 10-year Pilot Program for Trucks with 6-Axles](#) (H.R. 3372) involves a policy matter that is not specifically addressed within the adopted Legislative Platform language; however, the City received an email requesting for the City Council consider opposing this bill.

The City's federal lobbyist, David Turch & Associates, provided a summary memo for H.R. 3372 to the City (Attachment 1). The lobbyist will also provide a verbal update to the City Council Liaison/Legislative/Lobby Committee.

After discussion of H.R. 3372, the Liaisons may recommend the following actions:

- Oppose H.R. 3372;
- Support H.R. 3372;
- Support if amended H.R. 3372;
- Oppose unless amended H.R. 3372;
- Remain neutral; or
- Provide other direction to City staff.

Should the Liaisons recommend the City take a position on the H.R. 3372, then staff will place the item on a future City Council Agenda for concurrence.

Attachment 1

David Turch and Associates

TO: Cindy Owens, Municipal Affairs Program Manager
City of Beverly Hills

FROM: Jamie Jones
Jamie.jones@davidturch.com
202-543-3744

DATE: August 30, 2023

RE: H.R. 3372 – 10-year Pilot Program for Trucks with 6-Axles

Representative Dusty Johnson, the Republican at-large member of South Dakota, introduced H.R. 3372 on May 16, 2023. H.R. 3372 would establish a voluntary 10-year pilot program for states to increase truck weights on federal interstates to 91,000 pounds on 6 axles. Current weight limits are 80,000 pounds on 5 axles, which has been on the books since 1982. On May 23rd, by a vote of 33 to 27, the Transportation and Infrastructure Committee favorably reported the bill to the House.

Representative Johnson argues that increasing the amount of cargo a truck can carry on the road with the addition of a sixth axle is a safe and efficient way to further streamline our supply chains. According to Johnson, the use of 6 axles trucks is a common-sense update to the rules of the road, lowers greenhouse gas emissions, mitigates factors leading to supply chain backlogs, reduces damage to roads, and provides an extra set of breaks to increase stopping capacity and safety.

BILL SUMMARY AND TALKING POINTS

- HR 3372 would create a state opt-in pilot program with the US Department of Transportation that would increase gross vehicle weight (GVW) limits to up to 91,000-pounds on 6 axles on the federal interstate system.
- According to the Shippers Coalition, a supporter of the bill, 50 states already allow to varying degrees trucks carrying more than 80,000-pounds to drive on state and local roads.
- Truckers already participate in a mini-pilot program through the CARES Act and the COVID-19 emergency declaration. These authorities allowed states to issue permits to trucks operating above federal weight limits on the Interstate.
- Each axle must have wheels and brakes, so, it is argued, the sixth axle means that there will be an additional set of brakes on the vehicle. According to advocates of the bill, USDOT found that this will allow the 6-axle vehicle to stop shorter than its 5-axle counterpart.
- The bill does not allow carriers to add more trailers in order to reach the higher weight limits or axle requirement.

- The pilot program will require collection of data on the weight of pilot program vehicles at the time of any reportable accidents, data that is not available today.
- The Minnesota Department of Transportation found that the addition of a sixth axle and an overall reduction in the number of trips needed to transport a given amount of cargo reduces pavement costs.
- US DOT's 2015 Comprehensive Truck Size and Weight study found that there were no bridges that needed to be rehabilitated or replaced on the Interstate system to accommodate 91,000 pounds on 6 axles.

OPPOSITION TO BILL

The organizations and associations listed below signed a coalition letter to the House Transportation and Infrastructure Committee opposing H.R. 3372 or any legislative initiative that would increase maximum truck weight or length limits on federal highways. The letter expressed concerns based on the potential implications of increased truck weights on highway safety and infrastructure.

The letter acknowledges that several states already allow trucks that are heavier than the federal limit to operate on their state and local roads but notes that these heavier trucks are cited for safety violations at substantially higher rates and are involved in more severe crashes. In closing, this coalition of stakeholders argues that the US Department of Transportation, civil engineers, and drivers have long agreed that heavier trucks pose demonstrable risks to motorists and harm to infrastructure.

American Public Works Association
 National Association of Counties
 National Association of County Engineers
 National Association of Towns and Townships
 National League of Cities
 The United States Conference of Mayors
 International Brotherhood of Teamsters
 Owner-Operator Independent Drivers
 Association Towing and Recovery
 Association of America, Inc.
 Institute for Safer Trucking
 Association of American Railroads
 American Short Line and Regional Railroad Association
 GoRail
 National Railroad Construction and Maintenance Association
 Railway Engineering-Maintenance Suppliers Association
 Railway Supply Institute
 SMART-TD
 Coalition Against Bigger Trucks

Item B-4



CITY OF BEVERLY HILLS
POLICY AND MANAGEMENT

MEMORANDUM

TO: City Council Liaison/Legislative/Lobby Committee

FROM: Cynthia Owens, Municipal Affairs Program Manager

DATE: September 6, 2023

SUBJECT: H.R. 1525 - Fifth Amendment Integrity Restoration (FAIR) Act

ATTACHMENT: 1. Summary Memo – H.R. 1525

[H.R. 1525 - Fifth Amendment Integrity Restoration \(FAIR\) Act](#) (H.R. 1525) involves a policy matter that is not specifically addressed within the adopted Legislative Platform language; however, Police Chief Stainbrook is requesting the City consider taking a position on this bill.

The City's federal lobbyist, David Turch & Associates, provided a summary memo for H.R. 1525 to the City (Attachment 1). The lobbyist will also provide a verbal update to the City Council Liaison/Legislative/Lobby Committee.

After discussion of H.R. 1525, the Liaisons may recommend the following actions:

- Oppose H.R. 1525;
- Support H.R. 1525;
- Support if amended H.R. 1525;
- Oppose unless amended H.R. 1525;
- Remain neutral; or
- Provide other direction to City staff.

Should the Liaisons recommend the City take a position on the H.R. 1525, then staff will place the item on a future City Council Agenda for concurrence.

Attachment 1

David Turch and Associates

TO: Cindy Owens, Municipal Affairs Program Manager
City of Beverly Hills

FROM: Jamie Jones
Jamie.jones@davidturch.com
202-543-3744

DATE: August 29, 2023

RE: The FAIR Act – H.R. 1525

Representative Tim Walberg, a Republican from Michigan, and Representative Jamie Raskin, a Democrat from Maryland, introduced H.R. 1525, the Fifth Amendment Integrity Restoration (FAIR) Act, on March 9, 2023. This bipartisan bill proposes a major overhaul of the federal civil asset forfeiture laws. According to Representatives Walberg and Raskin, H.R. 1525 removes the profit incentive that drives many federal forfeitures by terminating the federal “equitable sharing” program – a federal and local law enforcement partnership -- that circumvent state law protections for property rights and eliminates the administrative/non-judicial forfeiture process. The House Judiciary Committee adopted the bill by a vote of 26-0 this past June.

BILL SUMMARY

The FAIR Act proposes to:

- Eliminate administrative forfeiture, ensuring that *only* federal courts, not administrative agencies, can order civil forfeitures to the federal government.
- Provide for access to counsel for those seeking return of their property.
- Mandate civil asset forfeiture proceeds be deposited directly to the U.S. Treasury’s general fund rather than to the Justice Department or the Treasury Forfeiture Fund, as stipulated under current law.
- Terminate the “equitable sharing” program in which state and local law enforcement agencies can partner with the federal government, forfeit property under federal law and then keep up to 80 percent of the proceeds -- a program critics charge allow local police departments to evade their states’ more restrictive civil forfeiture laws.
- Requires the federal government to prove, based on clear and convincing evidence, that a property owner knew or should have known that the property in question was being used in relation to criminal activity -- under current law, the government need only show it is more likely than not that the property is connected to a crime in order to forfeit it.
- Owners of property used *by another person* in relation to a crime will be able to recover their seized property by showing they did all they reasonably could to protect against any unlawful use by that third party.

BACKGROUND

Current civil forfeiture law authorizes the federal government to seize and keep a person's property without filing criminal charges or convicting the owner of a crime. Owners who want to reclaim their seized property must prove they weren't involved in any illegal activity.

Under administrative forfeiture, the seizing agency is the ultimate arbiter on whether to return the seized property to the owner. Walberg and Raskin argue this practice is a conflict of interest since the agency may keep up to 100 percent of the proceeds from the forfeited property. If an owner fails to file a claim within a prescribed deadline, a "default judgment" is triggered with the seized property automatically forfeited to the federal government. Aside from real estate and assets valued at more than \$500,000, almost any property can be seized through nonjudicial forfeiture.

Proceeds from asset forfeiture are typically used to purchase equipment (including officer safety equipment), conduct training, upgrade technology, and support jail-based rehabilitation, community-based programs and engagement.

BILL SUPPORT

American Civil Liberties Union
National Federation of Independent Businesses
Due Process Institute Goldwater Institute
Americans for Prosperity
Institute for Justice
Leadership Conference on Civil and Human Rights NAACP
National Association of Criminal Defense Lawyers
Drug Policy Alliance
National Motorist Association
Law Enforcement Action Partnership

BILL OPPOSITION

Major Cities Chiefs Association
Major County Sheriffs of America
National Sheriffs' Association
National District Attorneys Association
National Narcotic Officers' Association
National Alliance of State Drug Enforcement Agencies
Federal Law Enforcement Officers Association
Association of State Criminal Agencies
National HIDTA Directors Association
National Fusion Centers Association

Local, state and national law enforcement organizations oppose the FAIR Act based on the following points:

- Asset forfeiture is a critical tool that helps deter crime by allowing law enforcement to deprive criminals of the proceeds of their illegal activity, making it harder to further their illicit businesses.
- The asset forfeiture program is an effective tool used by law enforcement officers to fight Mexican drug cartels in the country.
- The changes proposed in the FAIR Act will be detrimental to law enforcement's effort to address the threat posed by drug cartels, criminal gangs, organized crime, human traffickers, fraudsters, cybercriminals, and other malicious actors.
- Amending federal asset forfeiture law, as proposed by H.R. 1525, will significantly impair the ability of law enforcement agencies to fight money laundering operations.
- Eliminating the "equitable sharing" program would undermine the cornerstone of state and local participation in joint operations with federal law enforcement, especially on task forces such as High Intensity Drug Trafficking Areas (HIDTA) that typically focus investigative resources on organized criminal activity and the most serious violent offenders.
- Rather than enacting H.R. 1525, Congress should focus on supporting the capacity of law enforcement agencies to conduct audits, collect and report data, and implement other transparency measures that can guard against abuse of civil asset forfeiture while ensuring it remains a viable tool to make it harder for criminals to do business.

Item B-5



CITY OF BEVERLY HILLS
POLICY AND MANAGEMENT

MEMORANDUM

TO: City Council Liaison/Legislative/Lobby Committee

FROM: Cynthia Owens, Municipal Affairs Program Manager

DATE: September 6, 2023

SUBJECT: Senate Bill 94 (Cortese) - Recall and Resentencing: Special Circumstances

ATTACHMENT: 1. Summary Memo – SB 94

[Senate Bill 94 \(Cortese\) - Recall and Resentencing: Special Circumstances](#) (SB 94) is a request by Chief Stainbrook for the City to consider taking a position on this legislation. SB 94 does have a nexus to the City's adopted Legislative Platform language. Specifically, the following statement may apply to SB 94:

- Oppose any efforts to further decriminalize existing crimes in California or lessen the sentences of any offenses that would result in the release of serious criminals who would further harm the safety of the public and law enforcement personnel.

The City's state lobbyist, Shaw Yoder Antwih Schmelzer and Lange, provided a summary memo for SB 94 to the City (Attachment 1). The state lobbyist will also provide a verbal update to the City Council Liaison/Legislative/Lobby Committee.

After discussion of SB 94, the Liaisons may recommend the following actions:

- 1) Support SB 94;
- 2) Support if amended SB 94;
- 3) Oppose SB 94;
- 4) Oppose unless amended SB 94;
- 5) Remain neutral; or
- 6) Provide other direction to City staff.

Should the Liaisons recommend the City take a position other than oppose for SB 94, then staff will place the item on a future City Council Agenda for concurrence.

Attachment 1



1415 L Street
Suite 1000
Sacramento
CA, 95814
916-446-4656

September 6, 2023

To: Cindy Owens, City of Beverly Hills

**From: Andrew K. Antwih, Partner, Shaw Yoder Antwih Schmelzer & Lange
Priscilla Quiroz, Legislative Advocate, Shaw Yoder Antwih Schmelzer & Lange**

Re: SB 94 (Cortese): Recall and resentencing: special circumstances

Version

As amended in the Assembly as of June 20, 2023.

Summary

This bill allows a person serving a prison sentence of life without the possibility of parole (LWOP) who meets certain requirements to file a petition in court seeking resentencing to a lesser sentence.

Specifically, this bill:

- Provides that, except as specified, a person serving LWOP for a conviction in which one or more special circumstances has been found true, may petition the court to recall the sentence and resentence to a lesser sentence if both of the following apply:
- The offense occurred before June 5, 1990.
- The person has served at least 25 years in custody.
- Exempts from eligibility people convicted of certain crimes, including first degree murder of a peace officer engaged in performance of their duties and specified sexual offenses committed in conjunction with homicide.
- Establishes procedural requirements for the original petition, supplementary and responsive filings, hearings, and review of a petition for recall and resentencing.
- Requires the court to appoint the State Public Defender or other qualified counsel to represent the individual if the petitioner does not have counsel and is indigent.
- States that resentencing shall only result in a sentence of 25 years to life with the possibility of parole, followed by review by the Board of Parole Hearings, as specified.
- Provides that if the judge declines to impose a reduced sentence, the petitioner may file two subsequent petitions if at least three years have passed from the denial of the prior petition.

Existing Law

Existing law provides that when a prosecutor charges a special circumstance enhancement and it is found true, a person found guilty of first degree murder with special circumstances shall be punished by death or LWOP. (Pen. Code, § 190.2.)

Prop 115, passed by the voters on June 5, 1990, removed from judges the discretion to dismiss a special circumstance finding after it has been found true. Judges retain the power to dismiss special circumstances after they have been found true for offenses that occurred before June 5, 1990.

Penal Code section 1172.1 permits a judge, prosecutor or CDCR to recall a sentence for reconsideration. This code section does not permit an individual to petition for recall and reconsideration of a sentence.

The majority of people serving a life without parole sentence are classified as low risk according to California Department of Corrections and Rehabilitation (CDCR)'s own California Static Risk Assessment tool - 88% of people serving life without parole have been assessed with the lowest risk score on that scale. Research also conclusively demonstrates that there is little risk for elderly individuals to re-offend or recidivate upon release. For individuals previously sentenced to life without parole who were granted a commutation and released, the recidivism rate is zero percent. Based on CDCR data, an analysis from the Special Circumstances Conviction Project of UCLA Center for the Study of Women, estimates that this reform might qualify 200 death penalty cases, and 600 LWOP cases for review.

Background

In California, first degree murder is generally punishable by a prison term of 25 years to life. However, if one or more special circumstances are found to be true, the defendant must be sentenced to death or LWOP instead. Special circumstances include financial gain, a prior murder conviction, lying in wait, infliction of torture, discharging a firearm from a motor vehicle, and active participation in a street gang, among others.

Generally, once a defendant's sentence begins, the court no longer has authority over the sentence and may not change it. However, in some circumstances, the Legislature has authorized certain criminal defendants to petition the courts to recall their existing sentences and issue new sentences in the interest of justice. As detailed in the analysis of this bill by the Assembly Committee on Public Safety, the Legislature has also made numerous changes to sentencing law in recent years, many of which expand judicial discretion at sentencing and allow courts to consider important factors like the defendant's age, trauma they experienced, their veteran status, and whether racial bias impacted their original case when determining an appropriate sentence.

This bill allows a qualifying person sentenced to LWOP to submit a petition to the court for recall and resentencing. The bill sets out factors the court must consider when determining whether the interest of justice would be served by granting the petition and giving the petitioner a new sentence. If a judge determines that resentencing is warranted, the only sentence they may issue is 25 years to life. As a result, any person granted resentencing under this provision will not be released from prison until the Board of Parole Hearings has evaluated them and determined that they are suitable for release on parole.

If this bill is chaptered, there will likely be an initial surge of petitions filed, with filings and associated court and public defender costs tapering off over time. Costs to DOJ and savings to CDCR, while potentially significant, are more speculative because they depend on a number of intervening factors. That said, given the immense cost of lifetime incarceration, if this bill results in even a few people being released on parole instead of serving LWOP sentences, the savings to the state would be significant.

Status of Legislation

This bill is currently pending in the Assembly Appropriations Committee on the Suspense File.

Support

8th Amendment Project
A New Way of Life Reentry Project
ACLU California Action
Alliance for Boys and Men of Color
American Friends Service Committee
Amnesty International USA
Anti-recidivism Coalition (UNREG)
Asian Americans Advancing Justice-southern California
Asian Pacific Islander Re-entry and Inclusion Through Support and Empowerment
Asian Prisoner Support Committee
Bend the Arc California
Bend the Arc San Luis Obispo
Bend the Arc: Jewish Action California
Black Women Organized for Political Action (BWOPA)
Blameless and Forever Free Ministries
California Attorneys for Criminal Justice
California Calls
California Catholic Conference
California Coalition for Women Prisoners
California Families against Solitary Confinement
California Federation of Teachers Afl-cio
California Immigrant Policy Center
California Native Vote Project
California Public Defenders Association
California State Council of Service Employees International Union (seiu California)
Californians for Safety and Justice
Californians United for a Responsible Budget
Center for Employment Opportunities
Center on Juvenile and Criminal Justice
City of Oakland Mayor Sheng Thao
Communities United for Restorative Youth Justice (CURYJ)
Community Agency for Resources, Advocacy and Services
Community Legal Services in East Palo Alto
Courage California
Cure California
Death Penalty Focus
Decarcerate Sacramento
Democrats of Rossmoor
Drop Lwop Coalition
Drug Policy Alliance
Ella Baker Center for Human Rights
Empowering Pacific Islander Communities (EPIC) Fiscally Sponsored by Community Partners
Empowering Women Impacted by Incarceration
End Solitary Santa Cruz County
Equality California
F.u.e.l.- Families United to End Lwop
Fair Chance Project
Faith in Action East Bay
Families against Mandatory Minimums Foundation
Felony Murder Elimination Project
Foundation Aussergewöhnlich Berlin
Friends Committee on Legislation of California
Ground Game LA
Group 137 of Amnesty International
Holy Cross Lutheran Church, Livermore, CA
Housing and Economic Rights Advocates
Human Rights Watch
If/when/how: Lawyering for Reproductive Justice
Immigrant Legal Resource Center (UNREG)
Indivisible CA Statestrong
Indivisible Sacramento
Indivisible San Francisco
Indivisible Yolo
Initiate Justice
Inland Equity Partnership
Interfaith Movement for Human Integrity
Islamic Shura Council of Southern California
John Burton Advocates for Youth
Justice2jobs Coalition
LA Defensa
Latinojustice Prldef
Law Enforcement Action Partnership
Lawyers' Committee for Civil Rights of The San Francisco Bay Area
League of Women Voters of California
Legal Services for Prisoners With Children
Long Beach Immigrant Rights Coalition
Milpa (motivating Individual Leadership for Public Advancement)
Naral Pro-choice California
National Association of Social Workers, California Chapter
National Center for Lesbian Rights
National Harm Reduction Coalition

North Bay Jobs With Justice
 Peninsula Multifaith Coalition
 Prosecutors Alliance California
 Restore Oakland, INC.
 Root & Rebound
 Safe Return Project
 San Francisco Public Defender
 Santa Cruz Barrios Unidos INC.
 Secure Justice
 Showing Up for Racial Justice (SURJ) At
 Sacred Heart in San Jose
 Showing Up for Racial Justice (SURJ) Bay Area
 Showing Up for Racial Justice Santa Cruz
 County
 Silicon Valley De-bug
 Sister Warriors Freedom Coalition
 Smart Justice California
 Social Change
 South Asian Network
 Starting Over, INC.
 Surj Marin - Showing Up for Racial Justice
 Survived & Punished
 Techequity Collaborative

The Place4grace
 The Resistance Northridge-indivisible
 The San Diego Lgbt Community Center
 The Transformative In-prison Workgroup
 Together We Will/indivisible - Los Gatos
 Unapologetically Hers
 Uncommon Law
 Underground Grit
 Underground Scholars Initiative At the
 University of California, Irvine
 United Core Alliance
 Universidad Popular
 Urban Peace Movement
 Voices for Progress
 Vt Citizens United for The Rehabilitation of
 Errant (S)
 White People 4 Black Lives
 Witness to Innocence
 Women's Foundation California
 Young Women's Freedom Center

167 Private Individuals

Opposition

Arcadia Police Officers' Association
 Burbank Police Officers' Association
 California Association of Highway
 Patrolmen
 California Coalition of School Safety
 Professionals
 California District Attorneys Association
 California Police Chiefs Association
 California Reserve Peace Officers
 Association
 California State Sheriffs' Association
 Claremont Police Officers Association
 Corona Police Officers Association
 Crime Victims United
 Culver City Police Officers' Association
 Deputy Sheriffs' Association of Monterey
 County
 Fullerton Police Officers' Association
 Inglewood Police Officers Association
 Los Angeles School Police Officers
 Association

Monterey County District Attorney's
 Office - ODA - Salinas, CA
 Murrieta Police Officers' Association
 Newport Beach Police Association
 Novato Police Officers Association
 Orange County District Attorney
 Palos Verdes Police Officers Association
 Peace Officers Research Association of
 California (PORAC)
 Placer County Deputy Sheriffs'
 Association
 Pomona Police Officers' Association
 Riverside Police Officers Association
 Riverside Sheriffs' Association
 San Diegans against Crime
 San Diego County District Attorney's
 Office
 San Diego Deputy District Attorneys
 Association
 Santa Ana Police Officers Association

Upland Police Officers Association

1 Private Individual

Item B-6



CITY OF BEVERLY HILLS
POLICY AND MANAGEMENT

MEMORANDUM

TO: City Council Liaison/Legislative/Lobby Committee

FROM: Cynthia Owens, Municipal Affairs Program Manager

DATE: September 6, 2023

SUBJECT: Assembly Bill 1082 (Kalra) - Authority to Remove Vehicles

ATTACHMENT: 1. Summary Memo – AB 1082

[Assembly Bill 1082 \(Kalra\) - Authority to Remove Vehicles](#) (AB 1082) would remove the authority for law enforcement and local parking enforcement officials, not including higher education institutions, to tow and impound, or immobilize a vehicle that has five or more delinquent parking tickets. The bill would also revise the ability of local processing agencies, excluding higher education institutions, to refer delinquent parking violations to the Department of Motor Vehicles for collection with vehicle registration, and revise requirements for processing agencies to offer payment plans for payment of delinquent parking ticket fines and penalties.

AB 1082 does have a nexus to the City's adopted Legislative Platform language. Specifically, the following statement may apply to AB 1082:

- Oppose preemption of the City of Beverly Hills' local authority whether by state or federal legislation or ballot propositions.

The City's state lobbyist, Shaw Yoder Antwih Schmelzer and Lange, provided a summary memo for AB 1082 to the City (Attachment 1). The state lobbyist will also provide a verbal update to the City Council Liaison/Legislative/Lobby Committee.

After discussion of AB 1082, the Liaisons may recommend the following actions:

- 1) Support AB 1082;
- 2) Support if amended AB 1082;
- 3) Oppose AB 1082;
- 4) Oppose unless amended AB 1082;
- 5) Remain neutral; or
- 6) Provide other direction to City staff.

Should the Liaisons recommend the City take a position other than oppose for AB 1082, then staff will place the item on a future City Council Agenda for concurrence.

Attachment 1



1415 L Street
Suite 1000
Sacramento
CA, 95814
916-446-4656

September 6, 2023

To: Cindy Owens, City of Beverly Hills

**From: Andrew K. Antwih, Partner, Shaw Yoder Antwih Schmelzer & Lange
Priscilla Quiroz, Legislative Advocate, Shaw Yoder Antwih Schmelzer & Lange**

Re: AB 1082 (Kalra) Authority to remove vehicles

Version

As amended in the Senate as of August 14, 2023.

Summary

This bill would delete the authority for law enforcement and local parking enforcement officials, not including higher education institutions, to tow and impound, or immobilize a vehicle that has five or more delinquent parking tickets, as specified. The bill would also revise the ability of local processing agencies, excluding higher education institutions, to refer delinquent parking violations to the Department of Motor Vehicles (DMV) for collection with vehicle registration, and revise requirements for processing agencies to offer payment plans for payment of delinquent parking ticket fines and penalties.

Existing Law

Existing law authorizes peace officers and parking enforcement officials to tow a vehicle under numerous specified circumstances, including if the vehicle has five or more delinquent parking tickets or five or more notices of failure to pay or failure to appear in court for traffic violations, or if the vehicle is parked or left standing on a highway for 72 or more hours in violation of a local ordinance. A vehicle found to have five or more delinquent parking or traffic tickets may be impounded until the vehicle owner shows evidence that all parking penalties and traffic violations have been cleared and pays the cost of towing and storing the vehicle. A vehicle impounded under these provisions that is not released to the owner may be sold to satisfy liens to recover towing and storage costs and bail for all outstanding parking violations, with the lien for unpaid parking tickets subordinate to the lien satisfying towing and storage costs.

Existing law also authorizes peace officers and parking enforcement officials to immobilize a vehicle, as an alternative to removal, if the vehicle has five or more delinquent parking tickets or five or more notices of failure to pay or failure to appear in court for traffic violations. The vehicle may remain immobilized until all parking and traffic tickets have been paid, as specified.

Existing law authorizes an agency that processes notices of parking violations and delinquent parking violations, after completing specified collection efforts, to file an itemized list of unpaid parking penalties and service fees with the Department of Motor Vehicles (DMV) for collection when a vehicle owner attempts to register his or her vehicle. Existing law requires DMV, after receiving an itemized list of a person's unpaid parking penalties and fees, to refuse to renew his or her vehicle registration until all outstanding penalties and fees are paid. After collecting payments

for unpaid parking penalties and fees, DMV forwards the revenues to the local jurisdictions that filed the itemized list of unpaid tickets, after deducting its administrative costs.

Lastly, existing law prohibits a processing agency from referring an itemized list of unpaid tickets to DMV to collect delinquent amounts unless a payment plan is provided for indigent persons. An indigent person is generally defined as having net income at or below 200 percent of the federal poverty level or receiving benefits under specified public assistance programs. The payment plan must allow monthly installments of no more than \$25 for total amounts less than \$500 and provide for a waiver of all late fees and penalty assessments, exclusive of specified assessments. Registered owners must be informed about the payment plan option, and the local agency must allow for an indigency determination for a period of 120 days from the issuance of a parking ticket, or 10 days after an administrative hearing determination, whichever is later. Processing agencies must include information regarding the availability of the payment plan option on their public websites, and a web link and telephone information line.

Background

If a vehicle consistently violates parking laws, California law authorizes local enforcers to immobilize, tow, or eventually impound the vehicle. If the vehicle remains unclaimed and no payment plan is entered into local agencies may perform a lien sale to recoup costs of towing and storing. If a vehicle is not removed but has outstanding parking violations, an authority may also use the DMV to collect the delinquent penalties at the time of the vehicle's next registration. In order to do this the authority must comply with several rules regarding offering payment plan options for the penalties, including options for indigent people that carry no late fees.

According to the DMV there are currently 692 parking agencies that may report tickets to DMV for collection with the annual registration renewal. Using a 5-year average, DMV estimates it has received approximately 1.8 million parking tickets annually. Approximately 30-40% of the parking tickets reported to DMV annually are collected by DMV during the registration renewal, as people may instead pay the parking agency directly. The DMV collected approximately \$81.7 million in total parking citation bail in FY 2021/22.

A report published in 2019 by 17 legal services, public interest law, and public policy and advocacy groups notes how California's cities attempts to regulate parking have resulted in disproportionate punishments for low-income individuals. Based on an analysis of eight California cities, the report estimated that one fourth of all tows conducted are because the owner had unpaid parking or traffic tickets, lapsed registration, or for being parked in one place for 72 hours. Vehicles towed for these reasons are 2 to 6 times more likely to be sold at a lien sale than the average towed cars. The report noted that 50% of the vehicles towed in San Francisco for unpaid parking tickets and 57% of the vehicles towed for lapsed registration were sold by the tow companies, compared to only 9% of other vehicles that were towed for other reasons. In 2016, the City of San Francisco ordered more than 42,000 tows and sold more than 5,300 vehicles in lien sales. In total, the report estimated that public agencies in California towed nearly one million vehicles in 2016.

Recovering a vehicle after it has been towed is expensive. *Towed into Debt* notes that the average tow fee in California at the time the report was published was \$189, with a \$53 storage fee per day and a \$150 administrative fee. After three days of storage a towing fee could come to \$499. If a vehicle was towed for having five or more unpaid parking violations or for vehicle registration purposes, the individual must also pay the unpaid parking debt and vehicle registration before they can retrieve their vehicle. For indigent individuals, fees accumulating on top of one another can create a cycle of debt where they are unable to pay back parking fines, and then receive additional

finances for driving an unregistered vehicle and an increased vehicle registration fee for late payments. If their vehicle is then towed and impounded, they likely will not be able to recover their vehicle, which may serve as their home or as an important resource for pursuing a job.

Status of Legislation

This bill is currently pending in the Senate Committee on Appropriations on the Suspense File.

Support

ACLU California Action
Asian Americans Advancing Justice-Southern California
California Partnership to End Domestic Violence
California Public Defenders Association
Californians for Safety and Justice
Center for Responsible Lending
City of La Mirada
Communities United for Restorative Youth Justice (CURYJ)
Consumers for Auto Reliability & Safety
Courage California
Disability Rights California
Drug Policy Alliance
East Bay Community Law Center
Ella Baker Center for Human Rights
Equal Rights Advocates
Family Violence Appellate Project
GLIDE
Grace Institute – End Child Poverty in California
Indivisible CA Statestrong
Initiate Justice (UNREG)
Initiate Justice Acton
Public Counsel
Smart Justice California
Techequity Collaborative
Voices for Progress Education Fund

Opposition

California Association of Code Enforcement
California Mobility and Parking Association
California Police Chiefs Association
California State Sheriffs' Association
Chico Police Department
City of La Mirada
City of Lakewood
City of Santa Monica Department of Transportation
Peace Officers Research Association of California (PORAC)
City of Tustin (unless amended)

Item B-7



CITY OF BEVERLY HILLS
POLICY AND MANAGEMENT

MEMORANDUM

TO: City Council Liaison/Legislative/Lobby Committee

FROM: Cynthia Owens, Municipal Affairs Program Manager

DATE: September 6, 2023

SUBJECT: State Ballot Initiative 22-0008 – Expands Local Governments’ Authority to Enact Rent Control on Residential Property

ATTACHMENT: 1. Ballot Initiative Language

Current state law (the Costa-Hawkins Rental Housing Act of 1995) generally prevents cities and counties from limiting the initial rental rate that landlords may charge to new tenants in all types of housing, and from limiting rent increases for existing tenants in (1) Residential properties that were first occupied after February 1, 1995; (2) Single-family homes; and (3) Condominiums.

State Ballot Initiative 22-0008 – Expands Local Governments’ Authority to Enact Rent Control on Residential Property, also known as the “Justice for Renters Act” (the Act), would repeal that state law and would prohibit the state from limiting the right of cities and counties to maintain, enact, or expand residential rent-control ordinances. As written, the Initiative would:

- Eliminate the California statewide ban on rent control (the Costa Hawkins Act).
- Allow local government to help renters stabilize their rent and prevent excessive rent increases year after year.
- Aid local government in addressing one of the root causes of homelessness and unaffordable housing.

Earlier this year, supporters of this Act submitted more than 810,000 signatures for verification by the Secretary of State. On July 26, 2023, the Secretary of State’s office confirmed the Act had gathered 617,000 valid signatures, substantially more than the 546,651 valid California voter signatures required by its random sample count method to qualify the Act for the November 2024 election.

This item may have a nexus to the following statement in the City’s Legislative Platform:

- Continue to support new initiatives regarding rent control legislation at the state level.

Councilmember Mirisch is requesting the City consider taking a position on this Act.

After discussion of the Act, the Liaisons may recommend the following actions:

- Oppose State Ballot Initiative 22-0008 ;
- Support State Ballot Initiative 22-0008;
- Support if amended State Ballot Initiative 22-0008;
- Oppose unless amended State Ballot Initiative 22-0008;
- Remain neutral; or
- Provide other direction to City staff.

Should the Liaisons recommend the City take a position on State Ballot Initiative 22-0008, then staff will place the item on a future City Council Agenda for concurrence.

Attachment 1

22 - 0008

RECEIVED

December 21, 2022

DEC 22 2022

Anabel Renteria, Initiative Coordinator
Office of the Attorney General
1300 I Street, 17th Floor
Sacramento, CA 95814

INITIATIVE COORDINATOR
ATTORNEY GENERAL'S OFFICE

Re: Request for Preparation of Title and Summary

Dear Ms. Renteria:

I am the proponent of the enclosed initiative measure, which is entitled "Justice for Renters Act." Pursuant to article II, section 10(d), of the California Constitution and section 9001 of the California Elections Code, we hereby request the preparation of a circulating title and summary of the chief purposes and points of the proposed measure.

Enclosed is a check for \$2,000 made payable to the State of California. Also enclosed are the signed statements required by Elections Code section 9001(b) and 9608.

I request that my residence address be kept confidential following verification of my status as registered voters.

You are hereby authorized and requested to direct all further inquiries and correspondence regarding this proposed measure to the following persons:

Fredric D. Woocher, Esq.
Beverly Grossman Palmer, Esq.
Strumwasser & Woocher LLP
1250 6th Street, Suite 205
Santa Monica, CA 90405
fwoocher@strumwooch.com
bpalmer@strumwooch.com
(310) 576-1233

Sincerely,



Ashoke Talukdar

Justice for Renters Act

Section 1.

This Act shall be known and may be cited as "Justice for Renters Act."

Section 2.

The following provision is added to Chapter 2.7 of Title 5 of Part 4 of Division 3 of the Civil Code:

1954.40. The state may not limit the right of any city, county, or city and county to maintain, enact or expand residential rent control.

Section 3.

The following provisions of Chapter 2.7 of Title 5 of Part 4 of Division 3 of the Civil Code are repealed, as illustrated by strikeout text below.

~~1954.50. This chapter shall be known and may be cited as the Costa Hawkins Rental Housing Act.~~

~~1954.51. As used in this chapter, the following terms have the following meanings:~~

~~(a) "Comparable units" means rental units that have approximately the same living space, have the same number of bedrooms, are located in the same or similar neighborhoods, and feature the same, similar, or equal amenities and housing services.~~

~~(b) "Owner" includes any person, acting as principal or through an agent, having the right to offer residential real property for rent, and includes a predecessor in interest to the owner, except that this term does not include the owner or operator of a mobilehome park, or the owner of a mobilehome or his or her agent.~~

~~(c) "Prevailing market rent" means the rental rate that would be authorized pursuant to 42 U.S.C.A. 1437 (f), as calculated by the United States Department of Housing and Urban Development pursuant to Part 888 of Title 24 of the Code of Federal Regulations.~~

~~(d) "Public entity" has the same meaning as set forth in Section 811.2 of the Government Code.~~

~~(e) "Residential real property" includes any dwelling or unit that is intended for human habitation.~~

~~(f) "Tenancy" includes the lawful occupation of property and includes a lease or sublease.~~

~~1954.52. (a) Notwithstanding any other provision of law, an owner of residential real property may establish the initial and all subsequent rental rates for a dwelling or a unit about which any of the following is true:~~

~~(1) It has a certificate of occupancy issued after February 1, 1995.~~

~~(2) It has already been exempt from the residential rent control ordinance of a public entity on or before February 1, 1995, pursuant to a local exemption for newly constructed units.~~

~~(3) (A) It is alienable separate from the title to any other dwelling unit or is a subdivided interest in a subdivision, as specified in subdivision (b), (d), or (f) of Section 11004.5 of the Business and Professions Code.~~

~~(B) This paragraph does not apply to either of the following:~~

- ~~(i) A dwelling or unit where the preceding tenancy has been terminated by the owner by notice pursuant to Section 1946.1 or has been terminated upon a change in the terms of the tenancy noticed pursuant to Section 827.~~
- ~~(ii) A condominium dwelling or unit that has not been sold separately by the subdivider to a bona fide purchaser for value. The initial rent amount of the unit for purposes of this chapter shall be the lawful rent in effect on May 7, 2001, unless the rent amount is governed by a different provision of this chapter. However, if a condominium dwelling or unit meets the criteria of paragraph (1) or (2) of subdivision (a), or if all the dwellings or units except one have been sold separately by the subdivider to bona fide purchasers for value, and the subdivider has occupied that remaining unsold condominium dwelling or unit as his or her principal residence for at least one year after the subdivision occurred, then subparagraph (A) of paragraph (3) shall apply to that unsold condominium dwelling or unit.~~
- ~~(C) Where a dwelling or unit in which the initial or subsequent rental rates are controlled by an ordinance or charter provision in effect on January 1, 1995, the following shall apply:~~
- ~~(i) An owner of real property as described in this paragraph may establish the initial and all subsequent rental rates for all existing and new tenancies in effect on or after January 1, 1999, if the tenancy in effect on or after January 1, 1999, was created between January 1, 1996, and December 31, 1998.~~
- ~~(ii) Commencing on January 1, 1999, an owner of real property as described in this paragraph may establish the initial and all subsequent rental rates for all new tenancies if the previous tenancy was in effect on December 31, 1995.~~
- ~~(iii) The initial rental rate for a dwelling or unit as described in this paragraph in which the initial rental rate is controlled by an ordinance or charter provision in effect on January 1, 1995, may not, until January 1, 1999, exceed the amount calculated pursuant to subdivision (c) of Section 1954.53. An owner of residential real property as described in this paragraph may, until January 1, 1999, establish the initial rental rate for a dwelling or unit only where the tenant has voluntarily vacated, abandoned, or been evicted pursuant to paragraph (2) of Section 1161 of the Code of Civil Procedure.~~
- ~~(b) Subdivision (a) does not apply where the owner has otherwise agreed by contract with a public entity in consideration for a direct financial contribution or any other forms of assistance specified in Chapter 4.3 (commencing with Section 65915) of Division 1 of Title 7 of the Government Code.~~
- ~~(c) Nothing in this section shall be construed to affect the authority of a public entity that may otherwise exist to regulate or monitor the basis for eviction.~~
- ~~(d) This section does not apply to any dwelling or unit that contains serious health, safety, fire, or building code violations, excluding those caused by disasters for which a citation has been issued by the appropriate governmental agency and which has remained unabated for six months or longer preceding the vacancy.~~
- ~~1954.53. (a) Notwithstanding any other provision of law, an owner of residential real property may establish the initial rental rate for a dwelling or unit, except where any of the following applies:~~

~~(1) The previous tenancy has been terminated by the owner by notice pursuant to Section 1946.1 or has been terminated upon a change in the terms of the tenancy noticed pursuant to Section 827, except a change permitted by law in the amount of rent or fees. For the purpose of this paragraph, the owner's termination or nonrenewal of a contract or recorded agreement with a governmental agency that provides for a rent limitation to a qualified tenant, shall be construed as a change in the terms of the tenancy pursuant to Section 827.~~

~~(A) In a jurisdiction that controls by ordinance or charter provision the rental rate for a dwelling or unit, an owner who terminates or fails to renew a contract or recorded agreement with a governmental agency that provides for a rent limitation to a qualified tenant may not set an initial rent for three years following the date of the termination or nonrenewal of the contract or agreement. For any new tenancy established during the three year period, the rental rate for a new tenancy established in that vacated dwelling or unit shall be at the same rate as the rent under the terminated or nonrenewed contract or recorded agreement with a governmental agency that provided for a rent limitation to a qualified tenant, plus any increases authorized after the termination or cancellation of the contract or recorded agreement.~~

~~(B) Subparagraph (A) does not apply to any new tenancy of 12 months or more duration established after January 1, 2000, pursuant to the owner's contract or recorded agreement with a governmental agency that provides for a rent limitation to a qualified tenant, unless the prior vacancy in that dwelling or unit was pursuant to a nonrenewed or canceled contract or recorded agreement with a governmental agency that provides for a rent limitation to a qualified tenant as set forth in that subparagraph.~~

~~(2) The owner has otherwise agreed by contract with a public entity in consideration for a direct financial contribution or any other forms of assistance specified in Chapter 4.3 (commencing with Section 65915) of Division 1 of Title 7 of the Government Code.~~

~~(3) The initial rental rate for a dwelling or unit whose initial rental rate is controlled by an ordinance or charter provision in effect on January 1, 1995, may not until January 1, 1999, exceed the amount calculated pursuant to subdivision (c).~~

~~(b) Subdivision (a) applies to, and includes, renewal of the initial hiring by the same tenant, lessee, authorized subtenant, or authorized sublessee for the entire period of his or her occupancy at the rental rate established for the initial hiring.~~

~~(c) The rental rate of a dwelling or unit whose initial rental rate is controlled by ordinance or charter provision in effect on January 1, 1995, shall, until January 1, 1999, be established in accordance with this subdivision. Where the previous tenant has voluntarily vacated, abandoned, or been evicted pursuant to paragraph (2) of Section 1161 of Code of Civil Procedure, an owner of residential real property may, no more than twice, establish the initial rental rate for a dwelling or unit in an amount that is no greater than 15 percent more than the rental rate in effect for the immediately preceding tenancy or in an amount that is 70 percent of the prevailing market rent for comparable units, whichever amount is greater.~~

~~The initial rental rate established pursuant to this subdivision may not substitute for or replace increases in rental rates otherwise authorized pursuant to law.~~

~~(d) (1) Nothing in this section or any other provision of law shall be construed to preclude express establishment in a lease or rental agreement of the rental rates to be applicable in the event the rental unit subject thereto is sublet. Nothing in this section shall be construed to impair the obligations of contracts entered into prior to January 1, 1996.~~

~~(2) If the original occupant or occupants who took possession of the dwelling or unit pursuant to the rental agreement with the owner no longer permanently reside there, an owner may increase the rent by any amount allowed by this section to a lawful sublessee or assignee who did not reside at the dwelling or unit prior to January 1, 1996.~~

~~(3) This subdivision does not apply to partial changes in occupancy of a dwelling or unit where one or more of the occupants of the premises, pursuant to the agreement with the owner provided for above, remains an occupant in lawful possession of the dwelling or unit, or where a lawful sublessee or assignee who resided at the dwelling or unit prior to January 1, 1996, remains in possession of the dwelling or unit. Nothing contained in this section shall be construed to enlarge or diminish an owner's right to withhold consent to a sublease or assignment.~~

~~(4) Acceptance of rent by the owner does not operate as a waiver or otherwise prevent enforcement of a covenant prohibiting sublease or assignment or as a waiver of an owner's rights to establish the initial rental rate, unless the owner has received written notice from the tenant that is party to the agreement and thereafter accepted rent.~~

~~(e) Nothing in this section shall be construed to affect any authority of a public entity that may otherwise exist to regulate or monitor the grounds for eviction.~~

~~(f) This section does not apply to any dwelling or unit if all the following conditions are met:~~

~~(1) The dwelling or unit has been cited in an inspection report by the appropriate governmental agency as containing serious health, safety, fire, or building code violations, as defined by Section 17920.3 of the Health and Safety Code, excluding any violation caused by a disaster.~~

~~(2) The citation was issued at least 60 days prior to the date of the vacancy.~~

~~(3) The cited violation had not been abated when the prior tenant vacated and had remained unabated for 60 days or for a longer period of time. However, the 60-day time period may be extended by the appropriate governmental agency that issued the citation.~~

Section 4.

If any provision of this Act or the application thereof to any person or circumstances is held invalid, that invalidity shall not affect other provisions or applications of the Act which can be given effect without the invalid provision or application, and to this end the provisions of this Act are severable.

Item B-8



CITY OF BEVERLY HILLS
POLICY AND MANAGEMENT

MEMORANDUM

TO: City Council Liaison/Legislative/Lobby Committee

FROM: Cynthia Owens, Municipal Affairs Program Manager

DATE: August 7, 2023

SUBJECT: Assembly Constitutional Amendment 13 (Ward) - Voting Thresholds

ATTACHMENT: 1. Bill Summary – ACA 13

[Assembly Constitutional Amendment 13 \(Ward\) - Voting Thresholds](#) (ACA 13) involves a policy matter that is not specifically addressed within the City's adopted Legislative Platform language; however, the League of California Cities is requesting local jurisdictions consider supporting ACA 13.

The City's state lobbyist, Shaw Yoder Antwih Schmelzer and Lange, provided a summary memo for ACA 13 to the City (Attachment 1). The state lobbyist will also provide a verbal update to the City Council Liaison/Legislative/Lobby Committee.

After discussion of ACA 13, the Liaisons may recommend the following actions:

- 1) Support ACA 13;
- 2) Support if amended ACA 13;
- 3) Oppose ACA 13;
- 4) Oppose unless amended ACA 13;
- 5) Remain neutral; or
- 6) Provide other direction to City staff.

Should the Liaisons recommend the City take a position on ACA 13, then staff will place the item on a future City Council Agenda for concurrence.

Attachment 1



September 6, 2023

To: Cindy Owens, City of Beverly Hills

**From: Andrew K. Antwih, Partner, Shaw Yoder Antwih Schmelzer & Lange
Priscilla Quiroz, Legislative Advocate, Shaw Yoder Antwih Schmelzer & Lange**

Re: ACA 13(Ward) Voting Thresholds

Version

As amended in the Assembly as of August 17, 2023.

Summary

Requires an initiative constitutional amendment to comply with any increased voter approval threshold that it seeks to impose on future ballot measures. Guarantees in the state constitution the ability of local governments to submit advisory questions to voters.

Specifically, this measure:

- Provides that an initiative measure that includes one or more provisions that amend the California Constitution, and that increases the voter approval requirement to adopt any state or local measure, must receive a proportion of votes in favor of the initiative that is equal to or greater than the highest voter approval requirement imposed by the initiative for the adoption of a state or local measure.
- Permits a local governing body, at any election, to hold an advisory vote concerning any issue of governance for the purpose of allowing voters within the jurisdiction to voice their opinions on the issue. Provides that an advisory question is approved only if a majority of the votes cast on the question are in favor. Provides that the results of the advisory vote are not controlling on the local governing body.
- Provides that this measure shall be known, and may be cited, as the Protect and Retain the Majority Vote Act.
- Contains a severability clause.
- Makes a conforming change.

Existing Law

- Permits voters to propose statutes or amendments to the Constitution by initiative. (California Constitution, Article II, §8)

- Provides that a state initiative statute that is approved by a majority of votes cast thereon takes effect on the fifth day after the Secretary of State (SOS) files the statement of the vote for the election at which the measure is voted on. (California Constitution, Article II, §10(a))
- Provides that a proposed constitutional amendment that is approved by a majority of votes cast thereon takes effect on the fifth day after the SOS files the statement of the vote for the election at which the measure is voted on. (California Constitution, Article XVIII, §4)
- Permits each city, county, school district, community college district, county board of education, and special district to hold an advisory election for the purpose of allowing voters to voice their opinions on substantive issues, as specified. (Elections Code §9603(a))

Background

- **Supermajority Vote Requirements:** Under existing law, any state ballot measure can be approved by a simple majority vote of the electorate, regardless of the changes to state law made by the measure. By contrast, some local ballot measures are subject to higher vote requirements. For instance, a local measure that is placed on the ballot by a local governing body and that proposes a special tax (a tax for which the proceeds will be used for a specific purpose) requires a two-thirds vote of the electorate.
 - If this measure qualifies for the ballot and is approved by voters, it would mark the first time that any state ballot measure would require more than a simple majority vote to be approved. Specifically, state ballot measures that (1) are initiative measures (the term “initiative” refers exclusively to a proposed law that qualifies for the ballot through the collection of voters’ signatures on an initiative petition), (2) propose to amend the state constitution, and (3) propose to increase the vote required for voters to approve a state or local ballot measure would be subject to a voter approval threshold that is greater than a simple majority vote.
- **Prior Effort to Impose Supermajority Vote Requirement on State Ballot Measures:** Notwithstanding the fact that all state ballot measures require a simple majority to pass, at least one prior initiative measure sought to impose a supermajority vote requirement on certain state ballot measures.
 - Specifically, Proposition 136, which appeared on the ballot at the November 1990 statewide general election, would have required any state special taxes that were proposed by a state initiative measure to be approved by two-thirds of the voters, among other provisions. Proposition 136 failed narrowly, receiving 47.9% of the vote.
- **Voter Approval Thresholds Only:** The provisions of this measure related to the vote requirement for initiative constitutional amendments apply only to initiatives that seek to make it more difficult for voters to take a specified action by approving a ballot measure. It does not affect the vote requirement for initiative constitutional amendments that seek only to make it harder for a governmental body to approve a specified action by increasing the vote by which that body must approve an action.
 - For example, an initiative constitutional amendment that required a two-thirds vote of the local electorate to approve any ballot measure that sought to rezone parcels

would need to be approved by two-thirds of the voters if this measure takes effect. By contrast, an initiative constitutional amendment that required a two-thirds vote of a local governing body to rezone parcels would be subject to a simple majority vote (provided that the initiative did not also include other provisions that affected the vote requirement for actions taken by voters).

- **Pending Initiative:** On February 1, 2023, the SOS certified that initiative #1935—a measure that would amend the California Constitution to change the rules for how the state and local governments can impose taxes, fees, and other charges—is eligible to appear on the ballot at the November 5, 2024, statewide general election. The proponent of that initiative can withdraw it at any time through June 27, 2024. If the proponent does not withdraw the initiative by that deadline, the SOS will certify that the measure is qualified and it will appear on the November 5, 2024, statewide general election ballot.
 - Among other provisions, initiative #1935 requires that any local special tax be approved by a two-thirds vote of the electorate to take effect. Recent case law suggests that local special taxes that are proposed by a local initiative measure can be approved by a majority vote of the electorate. By contrast, local special taxes that are placed on the ballot by a local governmental body must be approved by a two-thirds vote of the electorate. Additionally, initiative #1935 prohibits an advisory measure from appearing on the same ballot as a local measure that proposes a general tax if the advisory measure would indicate that the revenue from the general tax will, could, or should be used for a specific purpose.
 - If this measure applied to the voter’s consideration of initiative #1935, it appears that initiative #1935 would need to be approved by two-thirds of the voters in order to take effect. However, while this measure likely would affect the vote requirement for initiative #1935, its effects are not limited to that initiative. Rather, the provisions of this measure would apply to any initiative constitutional amendment that appears on the ballot in the future and that proposes to increase the vote requirement for a state or local ballot measure.
- **Oregon Measure 63:** The vote requirement provisions of this measure are similar to the provisions of a constitutional amendment approved by Oregon voters in 1998. Specifically, Measure 63 amended the Oregon Constitution to provide “any measure that includes any proposed requirement for more than a majority of votes cast by the electorate to approve any change in law or government action shall become effective only if approved by at least the same percentage of voters specified in the proposed voting requirement.” Measure 63 was approved with 55% of the vote.
- **Advisory Measures:** As detailed above, the California Elections Code already permits cities, counties, school districts, community college districts, county boards of education, and special districts to submit advisory questions to their voters. This measure proposes to add a similar provision to the state constitution.
 - As detailed above, a pending initiative measure that is eligible to appear on the November 5, 2024, statewide general election ballot would limit the ability of a local government to place an advisory measure on the ballot if the measure is related to the potential use of revenues derived from a general tax that is appearing on the same ballot. If approved by voters, that constitutional limitation on local advisory

measures would prevail over the general provisions of the Elections Code that permit local advisory measures.

- If both this measure and the pending initiative measure were to be approved by voters, the California Constitution would include potentially conflicting provisions governing local advisory measures. In such a situation, it is unclear which provision would prevail if a local jurisdiction sought to place an advisory measure on the ballot related to the use of revenues from a general tax appearing on the same ballot.

Status of Legislation

This bill has been set for hearing on September 1, 2023 in the Assembly Committee on Appropriations.

Support

American Federation of State, County and Municipal Employees
Asian Pacific Environmental Network
California Calls
Alliance San Diego

Opposition

Howard Jarvis Taxpayers Association
2 individuals
California Business Roundtable

Item B-9



CITY OF BEVERLY HILLS
POLICY AND MANAGEMENT

MEMORANDUM

TO: City Council Liaison/Legislative/Lobby Committee

FROM: Cynthia Owens, Municipal Affairs Program Manager

DATE: September 6, 2023

SUBJECT: Assembly Bill 309 (Lee) - The Social Housing Act

ATTACHMENT: 1. Bill Summary – AB 309

[Assembly Bill 309 \(Lee\) - The Social Housing Act](#) (AB 309) involves a policy matter that may have a nexus to the City's adopted Legislative Platform language. Specifically, the following statements may apply to AB 309:

- Oppose state legislation that supersedes a jurisdiction's adopted zoning ordinances.
- Oppose preemption of the City of Beverly Hills' local authority whether by state or federal legislation or ballot propositions.

On August 7, 2023, the Legislative / Lobby Liaisons recommended the City Council oppose AB 309. This position was confirmed by the City Council on August 15, 2023.

On August 16, 2023, Assemblymember Lee requested the City reconsider its position of oppose on AB 309 as the bill looks to identify and develop up to three social housing projects on state-owned surplus land deemed suitable for housing. The bill extends the "shot clock" for local jurisdictions to propose objective design review standards for the project from 60 days to 90 days. The bill also authorizes local jurisdictions to propose modifications to the development to mitigate adverse impacts. However, the bill does prohibit a local jurisdiction from denying such project in their jurisdiction. Assemblymember Lee is requesting the City consider a position of neutral rather than oppose on this bill given the positive outcome for social housing.

The City's state lobbyist, Shaw Yoder Antwih Schmelzer and Lange, provided a summary memo for AB 309 to the City (Attachment 1). The state lobbyist will also provide a verbal update to the City Council Liaison/Legislative/Lobby Committee. We will then be asking the Liaisons for direction on either continuing the City's opposition to the bill or changing the City's position to neutral. Should the Liaisons recommend the City change its position on AB 309 to neutral, then staff will place the item on a future City Council Agenda for concurrence.

Attachment 1



July 25, 2023

To: Cindy Owens, City of Beverly Hills

**From: Andrew K. Antwih, Partner, Shaw Yoder Antwih Schmelzer & Lange
Priscilla Quiroz, Legislative Advocate, Shaw Yoder Antwih Schmelzer & Lange**

Re: AB 309 (Lee) The Social Housing Act

Version

As amended in the Senate on July 13, 2023.

Summary

This bill enacts the Social Housing Act, which creates the California Housing Authority as an independent entity in state government for the purpose of developing social housing for all California residents, under the direction of the California Housing Authority Board. Specifically, this bill defines “social housing” as:

1. Housing units owned by the California Housing Authority, a public entity, a local housing authority, or a mission-driven not-for-profit private entity.
2. Where the social housing development contains housing units that accommodate a mix of household income ranges, including extremely low income, very low income, low income, moderate income, and above moderate income.
3. Residents of housing units are afforded, at a minimum, all protections granted to tenants with tenancies in private property, including protection against termination without just cause or for any discriminatory, retaliatory, or other arbitrary reason, and are afforded due process prior to being subject to eviction procedures, among others.
4. The units are protected for the duration of their useful life from being sold or transferred to a private for-profit entity or a public-private partnership.
5. Where residents of the housing units have the right to participate directly and meaningfully in decision-making affecting the operation and management of their housing units.

Existing Law

1. Specifies that a housing authority may engage in a number of activities in order to provide housing to low-income individuals, including:
 - a. Preparing, carrying out, acquiring, leasing and operating housing projects and developments for persons of low-income;

- b. Providing for the construction, reconstruction, improvement, alteration, or repair of all or part of any housing project;
 - c. Providing leased housing to persons of low-income; and
 - d. Offering counseling, referral, and advisory services to persons and families of low or moderate income in connection with the purchase, rental, occupancy, maintenance, or repair of housing.
- 2. Requires each city and county to prepare, adopt, and administer a general plan for their jurisdiction, which must include a housing element, to shape the future growth of its community.
- 3. Specifies that each community's fair share of housing be determined through the regional housing needs allocation (RHNA) process, which involves three main stages:
 - a. The Department of Finance (DOF) and the Department of Housing and Community Development (HCD) develop regional housing needs estimates at four income levels: very low-income (VLI), low-income (LI), moderate-income (Mod), and above moderate-income;
 - b. Councils of government (COGs) use these estimates to allocate housing within each region (HCD is to make the determinations where a COG does not exist); and
 - c. Cities and counties plan for accommodating these allocations in their housing elements.
- 4. Establishes HCD oversight of the housing element process, including the following:
 - a. Local governments must submit a draft of their housing element to HCD for review;
 - b. HCD must review the draft housing element, and determine whether it substantially complies with housing element law, in addition to making other findings;
 - c. Local governments must incorporate HCD feedback into their housing element; and
 - d. HCD must review any action or failure to act by local governments that it deems to be inconsistent with an adopted housing element. HCD must notify any local government, and at its discretion the office of the Attorney General, if it finds that the jurisdiction has violated state law.
- 5. Requires each city and county to submit an Annual Progress Report (APR) to the Governor's Office of Planning and Research (OPR) and HCD by April 1 of each year, including the following:
 - a. The report must evaluate the general plan's implementation, including the implementation of their housing element, and provide specified quantitative outcomes, such as number of applications for housing projects received and housing units approved;

- b. Authorizes a court to issue a judgement to compel compliance should a city or county fail to submit their APR within 60 days of the statutory deadline; and
- c. Requires HCD to post all city and county APRs on their website within a reasonable time after receipt.

Background

California's Housing Crisis. California faces a severe housing shortage. A variety of factors have contributed to the lack of housing production. Recent reports by the Legislative Analyst's Office and others point to local approval processes as a major factor. They argue local governments control most of the decisions about where, when, and how to build new housing, and those governments are quick to respond to vocal community members who may not want new neighbors. The building industry also points to the California Environmental Quality Act as an impediment, and housing advocates note a lack of a dedicated source of funds for affordable housing.

A major cause of the housing crisis is the mismatch between the supply and demand for housing. The Statewide Housing Plan adopted by the Department of Housing and Community Development in 2022 found California needs approximately 2.5 million units of housing, including one million units affordable to lower income households, to address this mismatch over the next eight years. That would require production of over 300,000 units a year, including over 120,000 units a year of housing affordable to lower income households. However, production in the past decade has lagged at under 100,000 units per year – including less than 10,000 units of affordable housing per year.

Social Housing. The Assembly Select Committee on Social Housing held an informational hearing on October 20, 2021, where Rob Weiner from the California Coalition for Rural Housing shared the Organization for Economic Cooperation and Development (OECD) definition of social housing as: “the stock of residential rental accommodations provided at sub-market prices and allocated according to specific rules rather than according to market mechanisms.” According to the Senate Housing Committee, another variation of social housing involves making accommodation available to all individuals regardless of their household income. In particular, Vienna, Austria is often held up as an example of a large city with widespread mixed-income social housing and an estimated 40% of the city's housing stock is social housing. In the Viennese model, higher income households pay market rate rents which then subsidize the below market rents for lower-income households, referred to as “cross-subsidization.”

Planning and zoning. The Planning and Zoning Law requires every county and city to adopt a general plan that sets out planned uses for all of the areas covered by the plan. A general plan must include specified mandatory “elements,” including a housing element that establishes the locations and densities of housing, among other requirements. Cities' and counties' major land use decisions—including most zoning ordinances and other aspects of development permitting—must be consistent with their general plans.

State law also imposes numerous requirements on the housing element of a general plan. A local government's housing element must allow for enough housing to be produced to meet the jurisdiction's regional housing need allocation (RHNA) for several income bands: very low, low, moderate, and above moderate households. The Department of Housing and Community Development (HCD) reviews and certifies housing elements as compliant with state law and also reviews their zoning ordinances for consistency with the approved housing element.

While the RHNA process requires local governments to plan to address housing needs in their jurisdictions, it does not mean housing will actually get built. California, along with the rest of the country, generally relies on the private sector to develop its affordable housing stock. A number of factors affect housing development and government subsidies are generally needed for housing projects with affordable units for low-income and very low-income households to be economically viable.

General obligation bonds. When public agencies issue bonds, they borrow money from investors, who provide cash in exchange for the agencies' commitment to repay the principal amount of the bond plus interest in the future. Bonds are usually either revenue bonds, which repay investors out of revenue generated from the project the agency buys with bond proceeds or from a specific dedicated revenue source, or general obligation (GO) bonds, which the public agency pays out of general revenues and are guaranteed by its full faith and credit.

Section One of Article XVI of the California Constitution and the state's General Obligation Bond Law guides the issuance of the state's GO debt. The Constitution allows the Legislature to place general obligation bonds on the ballot for specific purposes with a two-thirds vote of the Assembly and Senate. Voters also can place bonds on the ballot by initiative, as they have for parks, water projects, high-speed rail, and stem cell research, among others. Either way, general obligation bonds must be ratified by majority vote of the state's electorate. Unlike local general obligation bonds, approval by the state's electorate does not automatically trigger an increased tax to repay the bond. The Constitution commits the state to repay investors from general revenues above all other claims, except payments to public education.

California Housing Authority. AB 309 creates the California Housing Authority (Authority) with the core mission to produce and acquire social housing developments to eliminate the gap between housing production and RHNA targets, and to preserve affordable housing. The bill charges the Authority to implement and operate the social housing program, and grants it all necessary powers to do so, including contracting with property managers to manage its properties so long as they meet standards on responsiveness to resident needs prescribed by the authority, and rules regarding resident rights and protections, or be subject to termination of employment. The bill requires the Authority to prepare, publish, adopt, and submit to the Governor and the Legislature an annual business plan, as well as a draft business plan at least 60 days prior to the publication of the plan for public review and comment, which must also be submitted to the Governor and the Legislature. The measure requires the business plan to include:

- A description of the type of projects the Authority is producing or acquiring and the proposed timeline, estimated costs, and funding sources.
- A projection of the expected residents, income levels, and other demographic data.
- An estimate and description of the anticipated funds the Authority intends to leverage to fund the construction and operation activities, and the Authority's level of confidence for obtaining each type of funding.
- Any written agreements with public or private entities, such as technical assistance agreements.

The bill also directs the Authority to submit to the Legislature an analysis on the effect of its developments on gentrification on or before December 31 each year. The analysis must be subject

to public comment and considered by the California Housing Authority Board for future decision-making. The Authority must also provide an annual update to the Legislature on or before December 31 of each year its progress, which must include relevant resident statistics once social housing developments owned by the Authority are occupied.

California Housing Authority Board. AB 309 forms the California Housing Authority Board, comprised of:

- Four Governor appointees, including experts in housing development and finance, housing construction, property maintenance, as well as an appointee without specific qualifications.
- An appointee of the Speaker of the Assembly.
- An appointee of the Senate Committee on Rules.
- Three representatives of the residents. Before the Authority owns housing, these representatives are appointed by the Speaker of the Assembly, the Senate Committee on Rules, and the Governor, after each consults with advocates for tenants' rights while making their respective selections. After the Authority owns housing, the representatives are elected by vote of all social housing residents who reside in units owned by the Authority.

All appointees serve at the pleasure of their appointing authority. The Board is subject to the Bagley-Keene Open Public Meetings Act. AB 309 establishes the Board's duties to:

- Establish a strategy to achieve the core goal of eliminating the gap between housing production and acquisition and regional housing needs assessment targets;
- Set objectives and performance targets designed to achieve its strategies;
- Monitor and assess the degree of the Authority's success in achieving its objectives and performance targets;
- Exercise exclusive hiring and firing power over an executive officer;
- Establish and monitor performance measures for the executive officer and an associated succession plan;
- Approve the annual budget prepared by the executive officer;
- Foster a culture and set of values consistent with the short-term, medium-term, and long-term goals of the Authority;
- Integrate risk management into the authority's strategic planning process;
- Notify the Governor and the Legislature of unanticipated and sizable risks facing the Authority in meeting its objectives;
- Adopt and amend regulations, which must include election procedures for resident board positions;
- Following an initial trial period, create and make public an annual business plan; • Hold biannual meetings with resident governance councils.

The measure establishes the *powers and duties of the Executive Director as follows:*

- Manage the day-to-day operations of the authority in accordance with the strategy, delegations, business plans, and policies of the board and the bill.
- Employ and manage staff, including establishing, promoting, and maintaining a positive organizational culture that effectively aligns with the values and employment principles of the Authority.
- Transform the strategic plans of the Board into action.

- Ensure the effectiveness of the Authority's operational systems, including financial management, human resource management, information systems management, risk management, communications, marketing, fund raising, asset management, and reporting.
- Ensure the Board is kept informed of changes to gubernatorial directives, relevant legislation and changes in law, and other critical information relating to the Board's functions and powers.
- Ensure compliance with applicable law and governmental policies.
- Maintain effective communication and cooperation with external stakeholders in collaboration with the chair of the Board.
- Provide advice and information to the Board on any material issues concerning strategy, finance, reporting obligations, or other important matters that arise.
- Prepare the annual business plan, including organizational performance targets, for Board approval.
- Interact with and, where appropriate, report to the Governor and the Legislature.
- Additional responsibilities as determined by the Board.

Resident Governance Councils. AB 309 requires each multifamily social housing development owned by the Authority to form a governance council, capped at 10% of the overall population of the multifamily development. The bill sets as the powers and responsibilities for each governance council:

- Host regular meetings to gather feedback and perspective of residents.
- Provide the resident perspective to property management.
- Represent the interests of the development in biannual meetings with the Board.
- Determine how to spend the development's allotted annual budget for common room amenities and social events.
- Participate in the approval of renovation projects.
- Other responsibilities as determined by the Board.

Social Housing Program. AB 309 states the Authority seeks to achieve revenue neutrality over the long term, and specifically to recuperate the cost of development and operations over the life of its properties through mechanisms that maximize the number of Californians who can be housed without experiencing rent burden, such as rent cross-subsidization or cost rent. The Authority must develop regional target percentages for extremely low income, very low income, and low-income housing that seek to maximize low-income housing within the constraints of long-term revenue neutrality and maintaining sufficient operational, maintenance, and capital reserves. The bill requires that the methodology for low-income housing maximization in each development region be explained at a Board meeting and subject to public comment.

The bill directs the Authority to prioritize development of property with the following characteristics:

- Vacant parcels.
- Underutilized parcels or redevelopment of underutilized parcels without affordability covenants or rent-controlled units.
- Surplus public properties.
- Parcels near transit.

If the development of a property requires the rehabilitation or demolition of covenanted affordable units, the bill requires the new development to include a greater number of affordable units by income group than the previous property. If the development of a property requires the removal of residents from the property, the authority must cover the temporary relocation costs of these residents, as defined. Any displaced former resident may have the right to live in the new social housing property for their previous rent for the period of one year, or the Authority's established rent for the resident's income level, whichever is lower.

The Authority must make an annual determination of the required amount of social housing units by determining the gap between the previous year's RHNA targets for each income range, as determined by HCD, and housing construction data submitted by local jurisdictions to HCD, updated annually. The Authority makes the determination annually using each local government's data beginning on January 1, 2027. The Authority then splits the very low income RHNA allocation into extremely low income and very low-income allocations based on the latest available census or official survey data for the relevant jurisdiction.

The bill then authorizes the Authority to construct at least the required number of units to meet the gap between the previous year's very low income, low-income, moderate-income, and above moderate-income housing unit construction. The Authority may conduct ground-up construction and rehabilitation of existing structures. The bill allows the Authority to use two different leasing models, the rental model, and the ownership model, as specified, and sets policies for housing developments as well as eligibility and residence requirements for potential tenants. The Authority must use a lottery to select residents who would be offered social housing, structured by income categories, with separate selection results for each category. However, any residents who may be displaced due to the construction of the Authority's social housing must be offered social housing without needing to enter the lottery.

The Authority can dedicate building space to commercial use and lease the space to qualifying small businesses and nonprofit corporations, pursuant to requirements it establishes. The bill directs the state to gift public lands to the Authority for social housing development purposes when appropriate; however, in the absence of suitable state-owned parcels, the Authority can purchase municipal, county, other locally owned or private lands, according to the following priorities:

- Parcels with affordability covenants or rent control units are in danger of losing affordability status, to preserve affordable housing stock.
- Parcels are at risk of becoming unaffordable or at the end of their affordability covenants.
- Underutilized parcels or redevelopment of underutilized parcels with affordability covenants or rent-controlled units.
- Surplus public properties.
- Parcels near transit.

However, the Authority must accept a local jurisdiction's preference for a project parcel when:

- The parcel allows the authority to meet the jurisdiction's regional housing needs assessments goals,
- The parcel does not exceed the cost of all suitable alternative sites by more than 2%, and
- The parcel offers comparable community amenities to all suitable alternatives.

The bill requires the Authority to seek input from the local jurisdiction's city council, board of supervisors, or planning agency, regarding any development's:

- Specific site.
- Number of stories.
- Number of units.
- Development timeline

Financing. AB 309 creates the Social Housing Revolving Loan Fund within the State Treasury to make funding available, upon appropriation by the Legislature, to provide zero-interest loans for the purpose of constructing housing to accommodate a mix of household incomes. The measure allows the Authority to issue revenue bonds in any principal amount the agency determines necessary to provide sufficient funds for financing social housing developments, the payment of interest on these bonds, the establishment of reserves to secure the bonds, and costs to issue the bonds. The measure also requires the Authority to provide for regular audits of its accounts and records, maintain accounting records and report accounting transactions in accordance with generally accepted accounting principles.

The measure defines several terms, and makes legislative findings and declarations supporting its purpose, including providing financing for the activities of the authority through the issuance of general obligations bonds.

Status of Legislation

This bill is currently pending in the Senate Committee on Appropriations.

Support

American Federation of State, County and Municipal Employees
California Apartment Association
California Labor Federation
California School Employees Association
Greenbelt Alliance
Santa Cruz County
Santa Monica Democratic Club
Davis College Democrats
Indivisible CA StateStrong
California YIMBY
East Bay for Everyone
Common Ground California
Culver City Democratic Club
Zach Hilton - City of Gilroy Council Member
James Coleman - South San Francisco City Councilmember
Sean Elo-Rivera - City of San Diego Councilmember

Opposition

California Association of Realtors
League of California Cities
Public Advocates, Inc.
National Association of Social Workers, California Chapter (NASW-CA)
California Assessors' Association

City of Thousand Oaks
City of Norwalk
San Francisco Tenants Union
Sacred Heart Community Service
Affordable Housing Network of Santa Clara County
SF Council of Community Housing Organizations
Alliance of Californians for Community Empowerment (ACCE) Action
Fieldstead And Company, Inc.
Sonoma Valley Housing Group
Housing Contractors of California

Item B-10



CITY OF BEVERLY HILLS
POLICY AND MANAGEMENT

MEMORANDUM

TO: City Council Liaison/Legislative/Lobby Committee

FROM: Cynthia Owens, Municipal Affairs Program Manager

DATE: September 6, 2023

SUBJECT: A. Senate Bill 326 (Eggman) - The Behavioral Health Services Act; and
B. Assembly Bill 531 (Irwin) - The Behavioral Health Infrastructure Bond Act of 2023

ATTACHMENTS: 1. Letter Sent by Mayor Gold
2. Summary Memos – SB 326 and AB 531

[Senate Bill 326 \(Eggman\) - The Behavioral Health Services Act \(SB 326\)](#) and [AB 531 \(Irwin\) - The Behavioral Health Infrastructure Bond Act of 2023](#) involve policy matters, which may not have a direct statement in the City's adopted legislative platform for supporting these bills; however, there may be an indirect correlation between these bills and the following statements in the adopted legislative platform:

- Support additional funding for homeless and mental health outreach teams, as well as for programs targeting at-risk youth.
- Promote legislation that provides for increased services to or funding for at-risk populations such as elderly who require assistance, homeless, disabled and other challenged populations.
- Support legislation that addresses the need for housing and supportive services, (e.g. health, mental health and social services) for the City's homeless population

In response to an email received by Mayor Gold from Governor's Newsom office, a letter was sent in support of SB 326 and AB 531 (Attachment 1), representing his support for these two bills. This item now seeks the City's support for both bills.

The City's state lobbyist, Shaw Yoder Antwih Schmelzer and Lange, provided a summary memo for SB 326 and AB 531 to the City (Attachment 2). The state lobbyist will also provide a verbal update to the City Council Liaison/Legislative/Lobby Committee.

After discussion of SB 326 and AB 531, the Liaisons may recommend the following actions:

- 1) Support SB 326 and AB 531;
- 2) Support if amended SB 326 and AB 531;
- 3) Oppose SB 326 and AB 531;
- 4) Oppose unless amended SB 326 and AB 531;
- 5) Remain neutral; or
- 6) Provide other direction to City staff.

Should the Liaisons recommend the City take a position, then staff will place the item on a future City Council Agenda for concurrence.

Attachment 1



CITY OF BEVERLY HILLS

455 NORTH REXFORD DRIVE ▪ BEVERLY HILLS, CALIFORNIA 90210

Julian A. Gold, M.D., Mayor

August 17, 2023

The Honorable Chris Holden
Chair, Assembly Committee on Appropriations
1021 O Street, Suite 5650
Sacramento, CA 95814

Re: SB 326 (Eggman) Behavioral Health Services Act and AB 531 (Irwin) Behavioral Health Infrastructure Bond Act of 2023
Mayor of Beverly Hills – Support

Dear Chair Holden,

As the Mayor of Beverly Hills, I write in support of SB 326 and AB 531, a historic legislative package championed by Assemblymember Irwin, Senator Eggman, and Governor Newsom. The primary aim of this legislation is to revitalize the Mental Health Services Act (MHSA) and to secure a \$4.86 billion bond. This will pave the way for the establishment of 10,000 new behavioral health community beds and housing facilities throughout the state, intended to cater to Californians of all age brackets who grapple with severe mental health challenges and substance abuse issues. This letter expresses only my individual views and does not reflect the views of the City Council of the City of Beverly Hills.

The state of California is at a critical juncture and this crisis requires decisive and wide-ranging measures. It's alarming that of the 161,548 Californians living on the streets, almost 40,000 battle serious mental health problems, and over 36,000 are ensnared in chronic substance abuse. Recent findings from a RAND study highlighted a deficit of at least 6,000 behavioral health beds in the state. This dearth in capacity culminates in extended stays in restrictive environments and medical facilities, further exacerbating the prevailing crisis. Even more concerning is the situation among our state's veterans. With over 10,000 homeless veterans every night, a staggering 50 percent or more grapple with mental health issues, while approximately 70 percent are afflicted by substance abuse issues. The bonds under consideration earmarks a segment of its funds to aid our deserving veterans.

The urgency to reshape our strategy, prioritizing the mental well-being of our fellow Californians—especially those battling severe mental issues, those vulnerable to homelessness, and the veterans without a roof over their heads—cannot be overstated.

These revolutionary initiatives are geared towards establishing accountable housing and fostering reforms that yield tangible outcomes. They seek to ensure every Californian has the chance to avail themselves of essential behavioral health facilities and secure

appropriate housing within their communities, thereby fulfilling a longstanding commitment by our state's leadership.

Furthermore, this endeavor will dovetail with and enhance California's existing advancements in behavioral health care, such as the CARE Act; the Children's and Youth Behavioral Health Initiative; the expansion of behavioral health services under CalAIM; historical funding in behavioral health infrastructure and housing; initiatives for veterans' health and housing; and investments in the behavioral health workforce. It is for these reasons that I am proud to support AB 531 and SB 326.

Sincerely,

A handwritten signature in black ink, appearing to read "Julian A. Gold". The signature is fluid and cursive, with a long horizontal stroke at the end.

Julian A. Gold, M.D.
Mayor, City of Beverly Hills

Attachment 2



1415 L Street
Suite 1000
Sacramento
CA, 95814
916-446-4656

September 6, 2023

To: Cindy Owens, City of Beverly Hills

**From: Andrew K. Antwih, Partner, Shaw Yoder Antwih Schmelzer & Lange
Priscilla Quiroz, Legislative Advocate, Shaw Yoder Antwih Schmelzer & Lange**

Re: SB 326 (Eggman): The Behavioral Health Services Act

Version

As amended in the Assembly as of August 23, 2023.

Summary

This bill recasts the Mental Health Services Act (MHSA) as the Behavioral Health Services Act (BHSA) and modifies local and state spending priorities under the BHSA, including requiring 30% of all local BHSA funds to be spent on housing interventions, as specified; eliminating allocations for local mental health prevention-based programs and recasting other local spending categories; and, adding a state-level population-based prevention and stigma reduction program and statewide workforce program. Allows BHSA funding to be used to provide services to individuals with substance use disorders (SUD) regardless of whether they have additional mental health diagnoses or needs. Requires counties to more comprehensively plan and report on behavioral health services (BHS), sources of funding, and outcomes, and requires the state to establish outcome metrics for BHS and programs. Authorizes the Department of Health Care Services (DHCS) to enforce county compliance with BHSA planning, spending, and data reporting requirements through a variety of mechanisms, including requiring changes to BHSA spending plans, imposition of monetary sanctions or temporary withholds, and imposition of corrective action plans, as specified.

Specifically, the bill:

- Expands services to include treatment for substance use disorders (SUDs) alone and allows counties to use funds in combination with federal funds to expand SUD services. Because of this expansion to cover SUD, the bill updates the name of the MHSA to the Behavioral Health Services Act (BHSA).
- Recognizes the need for housing to address a variety of serious behavioral health disorders.
- Modernizes county allocations (92%) to require the following priorities and encourage innovation in each area:
 - 30% for Housing Interventions for children and families, youth, adults, and older adults living with serious mental illness/serious emotional disturbance (SMI/SED) and/or SUD who are experiencing homelessness or are at risk of homelessness.

- Authorizes housing interventions to include rental subsidies, operating subsidies, shared housing, family housing for children and youth who meet criteria, and the non-federal share for certain transitional rent.
 - Half of this amount (50%) is prioritized for housing interventions for the chronically homeless. Up to 25% may be used for capital development.
- 35% for Full Service Partnership (FSP) programs, which are the most effective model of comprehensive and intensive care for people at any age with the most complex needs. These funds will be used to expand the number of FSP slots available across the state and are key to CARE Court being successfully implemented.
- 30% for Behavioral Health Services and Supports, including early intervention, workforce education and training, capital facilities and technological needs, and innovative pilots and projects, to strengthen the range of services individuals, families, and communities need. A majority of this amount must be used for Early Intervention.
- 5% for Prevention through population-based programming on behavioral health and wellness. For example, in school-linked settings, this prevention funding must focus on school-wide or classroom-based mental health and substance use disorder programs, not individual services.
- Creates a new total state-directed funding (3%) to workforce investments, leveraging existing federal funding, and benefitting the entire state system.
- Continues the funding for state implementation (5%) of the policy, including development of statewide outcomes, oversight of county outcomes, training and technical assistance to counties, research and evaluation, and policy administration.

Existing Law

BH System of Care

- Establishes the BMA in 1992-93 that governs the operation and financing of community mental health services for individuals diagnosed with mental illnesses in every county through locally administered and controlled community mental health programs. [Welfare and Institutions Code
- Enacts the 1999 Realignment that transferred several programs and responsibilities from the state to counties, changing the way state and county costs are shared for certain social services programs, transfers health and mental health service responsibilities and costs to the counties, and increases the sale tax and vehicle license fee and dedicates these increased revenues to the new financial obligations of counties for realigned programs and responsibilities.
- Enacts the 2011 Realignment that shifted the responsibility and funding for a series of major programs from the state to the local government with the most significant policy change being the shift of responsibility for adult offenders and parolees from the state to the counties. The 2011 Realignment also allocated a portion of the state's sales and use tax and vehicle license fee revenues to counties to administer child welfare and foster care programs.
- Establishes the AOAA for adults and older adults with SMI to assist adults and older adults achieve their optimal level of self-sufficiency and independence by providing mental health

services, substance abuse treatment, and in-home supportive services. Provides for the protection of older and dependent adults through investigations, case management, and the conservatorship process as necessary.

- Requires DHCS to establish service standards within the AOAA that ensure members of the target population are identified, and services provided to assist them to live independently, work, and reach their potential as productive citizens.
- Establishes the CMHSA to provide a comprehensive, interagency system of care for the delivery of mental health services to seriously emotionally and behaviorally disturbed children and their families.
- Establishes the Mental Health Student Services Act as a mental health partnership grant program between county mental health or BH departments and school districts, charter schools, and the county office of education within the county.

MHSA

- Establishes the MHSA, enacted by voters in 2004 as Proposition 63, to provide funds to counties to expand services, develop innovative programs, and integrated service plans for mentally ill children, adults, and seniors through a 1% income tax on personal income above \$1 million.
- Establishes the MHSOAC to oversee the implementation of MHSA, made up of 16 members appointed by the Governor, and the Legislature, as specified.
- Permits amendments to the MHSA by a two-thirds vote of both houses of the Legislature and only as long as the amendment is consistent with and furthers the intent of the MHSA. Permits provisions clarifying the procedures and terms of the MHSA to be amended by majority vote.
- Establishes the MHS Fund administered by the state where all MHSA funds are deposited and except as provided, continuously appropriated without regard to FYs, for the purpose of funding the AOAA, Innovate Programs, PEI Programs, the NPLHP and the CMHSA.
- Requires a county to calculate an amount it establishes as the prudent reserve for its Local Mental Health Services Fund, not to exceed 33% of the average community services and support revenue received for the fund in the preceding five years.
- Requires each county mental health department to prepare and submit a three-year plan to DHCS that must be updated each year and approved by DHCS after review and comment by the MHSOAC. Requires development of the three-year plans to include a community stakeholder process and include a list of all programs for which MHSA funding is being requested and that identifies how the funds will be spent and which populations will be served.
- Establishes the Early Psychosis Intervention Plus Program directing the MHSOAC to implement a program establishing a framework and strategy to support collaborative efforts to shift emphasis in California's mental health system to early detection and intervention.

DHCS and Medi-Cal

- Establishes the Medi-Cal Program, a state-federal program administered by DHCS, to provide comprehensive health benefits to low-income individuals who meet specified eligibility criteria, under which federal financial participation is available to fund covered services to eligible individuals.
- Establishes a schedule of benefits under the Medi-Cal program, which includes federally required and optional Medicaid benefits.
- Includes mental health and substance use services in the essential health benefits package established under state law as Medi-Cal benefits.
- Requires DHCS to implement mental health managed care through contracts with mental health plans. Requires DHCS to contract with a county or counties acting jointly for the delivery of SMHS to each county's eligible Medi-Cal beneficiary population. Requires mental health plans to bear the financial risk for the cost of providing medically necessary SMHS to Medi-Cal beneficiaries and establishes related requirements.
- Requires each county to be responsible for providing or arranging for the provision of SMHS to Medi-Cal beneficiaries in their county. Defines SMHS to mean the impact of the beneficiary's condition is severe enough to require the services of a specialist as opposed to a generalist in the field of mental health.
- Requires MCMC plans to provide mental health benefits covered in the state's Medicaid state plan, excluding those benefits provided by county mental health plans under the SMHS Waiver.
- Requires DHCS to require any mental health plan that provides Medi-Cal SMHS to enter into a memorandum of understanding with any MCMC plan that provides Medi-Cal health services to some of the same Medi-Cal recipients served by the mental health plan.
- Establishes CalAIM, and requires the implementation of DHCS's CalAIM initiative to support the following goals:
 - Identify and manage the risk and needs of Medi-Cal beneficiaries through whole-person-care approaches and addressing social determinants of health;
 - Transition and transform the Medi-Cal program to a more consistent and seamless system by reducing complexity and increasing flexibility; and,
 - Improve quality outcomes, reduce health disparities, and drive delivery system transformation and innovation through value-based initiatives, modernization of systems, and payment reform.
- Establishes a CalAIM term of January 1, 2022, to December 31, 2026, inclusive, and any extensions.

Health Benefits and Commercial Coverage

- Establishes the DMHC to regulate health plans under the Knox-Keene Health Care Service Plan Act of 1975 and the CDI to regulate health insurers.

- Establishes as California's Essential Health Benefits benchmark under the Patient Protection and Affordable Care Act (ACA), the Kaiser Small Group Health Maintenance Organization, existing California health insurance mandates, and the 10 ACA mandated benefits.
- Defines “basic health care services” as all of the following:
 - Physician services, including consultation and referral;
 - Hospital inpatient services and ambulatory care services;
 - Diagnostic laboratory and therapeutic radiologic services;
 - Home health services;
 - Preventive health services;
 - Emergency health care services, including ambulance and ambulance transport services and out-of-area coverage. Basic health care services includes ambulance and ambulance transport services provided through the 911 emergency response system; and,
 - Hospice care, as specified.
- Requires every disability insurance policy and health plan that provides hospital, medical, or surgical coverage to provide coverage for medically necessary treatment of mental health and SUDs, under the same terms and conditions applied to other medical conditions, as specified.
- Defines medically necessary treatment of mental health or SUD including that the service or product is in accordance with generally accepted standards of mental health or SUD care, clinically appropriate in terms of type, frequency, extent, site, and duration.
- Requires a health plan or insurer that provides hospital, medical, or surgical coverage to base any medical necessity determination or the utilization review criteria on current generally accepted standards of mental health and SUD care, as specified. Requires medical necessity determinations concerning service intensity, level of care placement, continued stay, and transfer or discharge of enrollees diagnosed with MH and SUDs to be conducted in accordance with specified requirements.
- Requires DMHC to develop and adopt regulations to ensure that enrollees have access to health care services in a timely manner, regarding:
 - Waiting times for appointments, including primary and specialty care physicians;
 - Care in an episode of illness, including timeliness of referrals and obtaining other services, as needed; and,
 - Waiting time to speak to a physician, registered nurse, or other qualified health professional trained to screen or triage.
- Defines mental health and SUD as a mental health condition or SUD that falls under any of the diagnostic categories listed in the mental and behavioral disorders chapter of the most recent edition of the International Classification of Diseases or that is listed in the most recent version of the Diagnostic and Statistical Manual of Mental Disorders.

SUDs and SUD Treatment Services

- Establishes the DMC program that provides medically necessary SUD treatment services to eligible Medi-Cal beneficiaries for specific, approved services. Permits DHCS to enter into contracts with each county, or enter into contracts directly with certified MAT providers, for the provision of various alcohol and drug use treatment services, including SUD services.
- Grants DHCS the sole authority in state government to administer, license, certify, and regulate all SUD functions and programs. [HSC §11750, *et seq*]
- Defines SUD Treatment Services to include harm reduction, treatment, and recovery services, including federal Food and Drug Administration approved medications.
Workforce, Education and Training
- Establishes the HCAI, formerly the Office of Statewide Health Planning and Development) to, among other functions, collect, analyze, and publish data about healthcare workforce and health professional training, identify areas of health workforce shortages, and provide scholarships, loan repayments, and grants to students, graduates, and institutions providing direct patient care in areas of unmet need. Authorizes HCAI to award competitive grants to entities and individuals it deems qualified to expand the supply of BH counselors, coaches, peer supports, and other allied health care providers serving children and youth.
- Establishes the Health Professions Education Fund within HCAI to provide loans to students. Authorizes HCAI to receive private donations and specifies that all money in the fund is continuously appropriated to HCAI.
- Establishes the Licensed Mental Health Services Provider Education Program (LMHSPEP) with the mission of increasing and diversifying California's health care workforce by providing scholarships and loan repayments to health professional students and graduates who provide direct patient care in those communities. Funds LMHSPEP through a \$20 surcharge for renewal and licensure fees of psychologists, marriage and family therapists, and licensed clinical social workers in California.

Housing

- Establishes the NPLHP, which authorizes the California Department of Housing and Community Development (HCD) to implement the program by adopting regulations, guidelines and administering a competitive grant program to make awards to counties for the purpose of financing capital costs of permanent supportive housing for a target population as specified.
- Authorizes the CHFFA to issue taxable or tax-exempt bonds in an amount not to exceed \$2 billion dollars for the purpose of financing permanent supportive housing pursuant to the NPLHP and to use bond proceeds as specified.
- Creates the NPLHP Fund to receive the proceeds from the issuance of bonds by the State Treasurer, other federal or state grants, interest and loan repayments and provides that it is continuously appropriated for the implementation of the NPLHP.

- Requires specified procedures for measures submitted to the voters, including requiring measures submitted by the Legislature to appear on the ballot of the first statewide election occurring at least 131 days after adoption of the proposal by the Legislature, as specified.
- Establishes the Home Key program to provide grants to cities, counties, and other government entities, to develop housing for individuals and families who are experiencing homelessness or who are at risk of homelessness.
- Requires any project that uses Home Key funds is deemed consistent and in conformity with any applicable local plan, standard, or requirement, and any applicable coastal plan, local or otherwise, and allowed as a permitted use, within the zone in which the structure is located, and to not be subject to a conditional use permit, discretionary permit, or any other discretionary reviews or approvals. Exempts from the CEQA a development that receives funds from Home Key if specified requirements are met.
- Establishes the Homelessness, Housing, Assistance and Prevention (HHAP) Program to provide jurisdictions with one-time grant funds to support regional coordination and expand or develop local capacity to address immediate homelessness challenges informed by a best-practices framework focused on moving homeless individuals and families into permanent housing and supporting the efforts of those individuals and families to maintain their permanent housing. Directs the California Interagency Council on Homelessness (CA-ICH) to administer HHAP.
- Requires HHAP to be used for evidence-based solutions that address and prevent homelessness among eligible populations as specified.

Background

This bill and AB 531 (Irwin) make up Governor Newsom's proposal to modernize California's behavioral health system. The proposal is aimed at addressing critical gaps in the continuum of care for the most vulnerable Californians, include new funding for housing, residential health care settings and the behavioral health (BH) workforce, refining the MHSA to stretch limited dollars, and meeting the needs of those with the most severe mental health and/or debilitating substance use conditions and finally to strengthen county accountability and statewide access to BHS.

The Governor's proposal consists of three key elements:

- Authorization of a \$4.7 billion general obligation bond, contained in AB 531 (Irwin), to fund 10,000 new residential treatment and housing settings through unlocked community BH residential settings; permanent supportive housing for people experiencing or at risk of homelessness who have BH conditions; and housing for veterans experiencing or at risk of homelessness who have BH conditions;
- Modernization of the MHSA and creation of the BHSA;
- Improved statewide accountability, transparency, and access to BHS.

The MHSA currently funds 30% of the state's mental health system, but has not undergone full scale reform since its initial passing in 2004. The passage of the Affordable Care Act and parity laws have altered the BH landscape and this proposal is aimed at modernizing the MHSA to account for expanded coverage under Medi-Cal. This bill proposes a comprehensive set of reforms, many of which will require approval by the voters on the March 2024 Ballot. Key proposed reforms include:

- Rename the MHSA to the BHSA;

- Broaden the target population to include those with debilitating SUDs;
- Focus on the most vulnerable and most at-risk;
- Update Local Categorical Funding Allocations;
- Allocate 4% of total BHSA funds for state directed initiatives to address Population Based Prevention Programs;
- Allocate 3% of total BHSA funds for state directed initiatives to expand the BH workforce, including braiding \$36 million with the California Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment (BHCONNECT) for workforce investments of \$480 million annually and \$2.4 billion total for the five-year demonstration period (pending federal approval);
- Transform the county MHSA planning process through the IPBHSO;
- Improve transparency and accountability for BH funding and outcomes.

Status of Legislation

This bill is currently pending in the Assembly Appropriations Committee.

Support

City of San Diego Councilmember Raul Campillo
 Darrell Steinberg, Mayor of Sacramento
 Deborah Penrose, Mayor of Half Moon Bay
 Jerry Dyer, Mayor, City of Fresno
 Julian A. Gold, M.D., Mayor, City of Beverly Hills
 London Breed, Mayor of City & County of San Francisco
 Matt Mahan, Mayor, City of San José
 Melissa Blaustein, Mayor of Sausalito
 American Association of Retired Persons (AARP)
 Alzheimer's San Diego
 Big City Mayors Coalition
 California Hospital Association
 California Professional Firefighters
 California Retailers Association
 California State Council of Service Employees
 International Union (SEIU California)
 Chicano Federation of San Diego County
 City of Carlsbad
 City of Chico
 City of El Cajon
 City of El Monte
 City of Fountain Valley
 City of Fowler
 City of Fullerton
 City of La Mesa
 City of Lindsay
 City of Moreno Valley
 City of Newark, California

City of Oakland
 City of Paramount
 City of Parlier
 City of Perris
 City of Riverside
 City of Salinas
 City of San Diego
 City of San Fernando
 City of San Leandro
 City of San Rafael
 City of Tracy
 City of West Hollywood
 Clinica Sierra Vista
 Comitè Civico Del Valle
 Eden Housing
 El Camino Homeless Organization
 Father Joe's Villages
 Greater Riverside Chambers of Commerce
 Hope the Mission
 Illumination Foundation
 Inland Empire Coalition of Mayors (IECOM)
 Jewish Family Service of San Diego
 Kings Tulare Homeless Alliance
 Koreatown Youth and Community Center INC.
 National Alliance on Mental Illness (NAMI-CA)
 Poverello House
 Salt and Light Works
 San Diego Oasis
 San Francisco Chamber of Commerce
 San Gabriel Valley Economic Partnership
 San Jose Chamber of Commerce

Silicon Valley Leadership Group
South Asian Network
Southern California Rental Housing
Association
Steinberg Institute

Support if Amended

Association of Community Human Service
Agencies
California Association of Alcohol and Drug
Program Executives

Opposition

Cal Voices
California Association of Mental Health Peer
Run Organizations (CAMHPRO)
Depression and Bi-Polar Support
Alliance California

Oppose Unless Amended

Alameda County Families Advocating for the
Seriously Mentally Ill
API Equality-LA
Asian American Recovery Services
Asian Americans Advancing Justice-Southern
California
Association of California School
Administrators
California Association of Mental Health Peer
Run Organizations
California Black Women's Health Project
California Coalition for Youth
California Pan - Ethnic Health Network
Catholic Charities East Bay
Children Now
Faith and Community Empowerment
First 5 Alameda County
Hmong Cultural Center of Butte County
Humanidad Therapy and Education Services

Other (Includes Letters of Concern, Neutral Positions, and Support in Concept)

ACLU California Action
Alameda County Office of Education
Broad Alliance of Housing First Organizations
CA Behavioral Health Planning Council
California Alliance of Child and Family
Services
California Association of Local Behavioral
Health Boards and Commissions
California Association of School Counselors

The Salvation Army, a California Corporation
The Umbrella Effect: Project Becky
United States Veterans Initiative - Inglewood
Valley Industry and Commerce Association
(VICA)

California Children's Hospital Association
Children's Institute
Safe Place for Youth
The Children's Partnership

Disability Rights California
First 5 Association of California
Mental Health America of California
Peers Envisioning and Engaging in Recovery
Services (PEERS)

Indian Health Council, INC.
LGBTQ Ta Center - Center for Applied
Research Solutions
National Asian Pacific American Families
Against Substance Abuse (NAPAFASA)
Openhouse
Racial and Ethnic Mental Health Disparities
Coalition
Richmond Area Multi-Services, INC.
Safe Passages
Special Service for Groups, INC.
The Cambodian Family
The Fresno Center
The Los Angeles Trust for Children's Health
The Village Project, INC.
Underwood Strategic Insight
West Fresno Family Resource Center
Whole Systems Learning
Youth Law Center

California Association of School Psychologists
California Association of School Social
Workers
California Association of Social Rehabilitation
Agencies
California Association of Local Behavioral
Health Boards and Commissions

California Coalition for Mental Health
California Council of Community Behavioral
Health Agencies
California County Superintendents
California School Boards Association
California School Nurses Association
California State Association of Counties
California State Association of Counties
(CSAC)
California Teachers Association
California Youth Empowerment Network
Chief Probation Officers' of California (CPOC)
Children's Bureau of Southern California
City of Livermore
Corporation for Supportive Housing
County Behavioral Health Directors
Association of California
County Health Executives Association of
California (CHEAC)
County of Kern
County of Sacramento
County of Santa Clara
County Welfare Directors Association of
California (CWDA)
Depression and Bipolar Support Alliance
Housing California
Jewish Family Service of Los Angeles
(UNREG)
Los Angeles County
Los Angeles Unified School District
Mental Health America of Los Angeles
National Alliance to End Homelessness
Rural County Representatives of California
(RCRC)
Santa Clara County Office of Education
Sycamores
Urban Counties of California (UCC)



1415 L Street
Suite 1000
Sacramento
CA, 95814
916-446-4656

September 6, 2023

To: Cindy Owens, City of Beverly Hills

**From: Andrew K. Antwih, Partner, Shaw Yoder Antwih Schmelzer & Lange
Priscilla Quiroz, Legislative Advocate, Shaw Yoder Antwih Schmelzer & Lange**

Re: AB 531 (Irwin) – The Behavioral Health Infrastructure Bond Act of 2023

Version

As amended in the Senate as of June 19, 2023.

Summary

This bill would enact the Behavioral Health Infrastructure Bond Act of 2023, which authorizes the sale of \$4.68 billion in general obligation bonds, upon approval by voters at the March 5, 2024 statewide election, to provide grant funding for specified behavioral health infrastructure and housing for veterans and others who are experiencing homelessness, or are at risk of homelessness, and are living with a behavioral health challenge.

Specifically, this bill,

- Authorizes \$4.68 billion in bond funds, upon voter approval on the March 5, 2024 ballot, to be issued and sold for the following purposes:
- Making grants administered by DHCS for the acquisition of capital assets for, and the construction and rehabilitation of, unlocked, voluntary, and community-based treatment settings and residential care settings.
- Making up to \$865 million in grants administered by the Department of Housing and Community Development for the purposes of constructing and rehabilitating housing for veterans and others who are experiencing homelessness or are at risk of homelessness and living with behavioral health challenges.
- Up to 3% of the net proceeds for general administrative costs.
- Paying the costs of issuing bonds, paying the annual administration costs of the bonds, and paying interest on the bonds.
- Provides that a housing project, funded by these bond funds, shall be a use by right pursuant to AB 2011, as specified. The project proponent shall pay prevailing wages to all contractors and subcontractors performing work on the project.

- Creates the Behavioral Health Infrastructure Act Finance Committee, made up of the Controller, the Treasurer, and the Director of Finance, for purposes of authorizing the issuance and sale of bonds.

Existing Law

- Authorizes the Veterans and Affordable Housing Bond Act of 2018 for the purpose of funding various housing programs; includes a \$1 billion increase in the bonding authority of the California Department of Veterans Affairs (CalVet) Home Loan Program.
- Authorizes the Veterans Housing and Homeless Prevention (VHHP) Bond Act of 2014 for the purpose of funding \$600 million in multifamily affordable, transitional, and supportive housing for low-income veteran households and veterans experiencing homelessness.
- Authorizes the Veterans Bond Act of 2008 for the purpose of establishing a fund to provide farm and home aid for veterans in the amount of \$900 million under the CalVet Home Loan Program.
- Authorizes the Veterans Bond Act of 2000 for the purpose of creating a fund to provide farm and home purchase aid for veterans in the amount of \$500 million.
- Authorizes specified housing development projects to be a use by right on specified sites zoned for retail, office, or parking, as specified, pursuant to AB 2011 (Wicks, Chapter 647, Statutes of 2022).

Background

According to a recent study by the Rand Institute, people with mental health conditions require different levels of psychiatric care, depending on the needs of the patient. Some have short term needs, while others have chronic, longer-term needs. California currently has a shortage of beds for all needs; according to this study, the state needs 4,767 beds for both acute and subacute needs, and an additional 2,963 community residential beds for those with chronic needs. The report recommends the state prioritize psychiatric bed infrastructure for those with the greatest needs, and particularly those that have the most difficulty accessing beds (such as those involved in the criminal justice system). Additionally, the report notes California should require specified data collection to track the impact of its investments and makes sure funds are meeting the needs of the target populations.

In 2021, the Legislature directed the Department of Health Care Services (DHCS) to establish the Behavioral Health Continuum Infrastructure Program, which authorizes DHCS to award competitive grants to qualified entities to construct, acquire, and rehabilitate assets, or to invest in mobile crisis infrastructure to expand the community continuum of behavioral health treatment resources. Grants seek to expand capacity for short-term crisis stabilization, acute and subacute care, crisis residential, community-based mental health residential, substance use disorder residential, peer respite, mobile crisis, community and outpatient behavioral health services, and other treatment and rehabilitation options for behavioral health disorders.

DHCS also administers the Community Care Expansion (CCE) Program and the Housing and Homelessness Incentive Program (HHIP). The CCE Program is part of a statewide investment in infrastructure funding to address homelessness, support healthcare delivery reform, and strengthen the social safety net. CCE has two main focuses: (1) the CCE Capital Expansion Program

which funds the acquisition, construction, and rehabilitation of residential care settings including funds to establish a capitalized operating subsidy reserves; and (2) the CCE Preservation Program intended to immediately preserve and prevent the closure of existing licensed residential adult and senior care facilities, including Residential Care Facilities for the Elderly, Adult Residential Facilities, or Residential Facilities for the Chronically Ill. Under the HHIP, Medi-Cal managed care plans can earn incentive funds for making investments and progress in addressing homelessness and keeping people housed. Managed care plans and the local homeless Continuum of Care, in partnership with local public health jurisdictions, county behavioral health, Public Hospitals, county social services, and local housing departments must submit a Homelessness Plan to DHCS and identify how these funds would prioritize aging and disabled homeless Californians.

Existing law, the Veterans Housing and Homeless Prevention (VHHP) Bond Act of 2014 (approved by the voters at Proposition 41 in June of 2014), authorizes the issuance of \$600 million in general obligation bonds to provide multifamily housing to veterans. The VHHP requires CalHFA, HCD, and CalVet to establish and implement a program that focuses on veterans at risk of homelessness or experiencing temporary or chronic homelessness. The VHHP Program funds the acquisition, construction, rehabilitation, and preservation of affordable multifamily supportive housing, affordable transitional housing, affordable rental housing, or related facilities for veterans and their families to allow veterans to access and maintain housing stability. The administering departments must ensure that at least 50 percent of funds awarded for capital development be used to provide housing to veteran households with extremely low incomes (up to 30% of the area median income [AMI]), and 60 percent of those units must be supportive housing.

Existing law establishes the No Place Like Home Program (NPLH Program), which provides funding and tools that allow HCD to address affordability issues associated with creating housing units that are specifically set aside for persons with serious mental illness who are chronically homeless, homeless, or at-risk of being chronically homeless. Existing law, approved by the voters as Proposition 2 in 2018, requires HCD to award \$2 billion in revenue bonds over four rounds among counties to finance capital costs of permanent supportive housing development, including acquisition, design, construction, rehabilitation, or preservation, and to capitalize operating reserves. The revenue bonds that fund the NPLH Program have been fully allocated and they are repaid by funding from the Mental Health Services Act.

Status of Legislation

This bill is currently pending in the Senate Committee on Appropriations on the Suspense File.

Support

California Professional Firefighters
City of Fowler
City of Moreno Valley
City of Perris
City of Riverside
City of Santa Monica
Steinberg Institute
The Umbrella Effect: Project Becky

Opposition

None.

Item B-11



CITY OF BEVERLY HILLS
POLICY AND MANAGEMENT

MEMORANDUM

TO: City Council Liaison/Legislative/Lobby Committee

FROM: Cynthia Owens, Municipal Affairs Program Manager

DATE: August 7, 2023

SUBJECT: Senate Constitutional Amendment 7 (Umberg) - Employment: Workers' Rights

ATTACHMENTS: 1. League of California Cities – Letter of Concern
2. Bill Summary – SCA 7

[Senate Constitutional Amendment 7 \(Umberg\) - Employment: Workers' Rights](#) (SCA 7) involves a policy matter that is not specifically addressed within the City's adopted Legislative Platform language; however, the League of California Cities has issued a letter of concern (Attachment 1) on SCA 7 as it could threaten cities' ability to provide services to their residents. Specifically, their concerns are:

- 1) SCA 7 could subject many local ordinances to legal challenge on the grounds the ordinances interfere with, negate, or diminish the rights of employees to organize and bargain collectively over their wages, hours, and other terms and conditions of employment and workplace safety.
- 2) SCA 7 could be interpreted to allow an employee to make unilateral decisions about their working conditions as necessary to "protect their economic well-being and safety." This provision of the bill is broad and unclear which would certainly lead to implementation challenges and litigation.
- 3) SCA 7 could create ambiguity that could have unintended consequences on public employee unions. SCA 7's broad and ambiguous language could grant all Californians the right to negotiate with their employers regardless of their representation status

The City's state lobbyist, Shaw Yoder Antwih Schmelzer and Lange, provided a summary memo for SCA 7 to the City (Attachment 2). The state lobbyist will also provide a verbal update to the City Council Liaison/Legislative/Lobby Committee.

After discussion of SCA 7, the Liaisons may recommend the following actions:

- 1) Support SCA 7;
- 2) Support if amended SCA 7;
- 3) Oppose SCA 7;
- 4) Oppose unless amended SCA 7;
- 5) Remain neutral; or
- 6) Provide other direction to City staff.

Should the Liaisons recommend the City take a position on SCA 7, then staff will place the item on a future City Council Agenda for concurrence.

Attachment 1



June 7, 2023

The Honorable Thomas Umberg
California State Senate
1021 O Street, Suite 6530
Sacramento, CA 95814

RE: SCA 7 (Umberg) Employment: Workers' Rights.
Notice of Concerns *(As Introduced 5/1/2023)*

Dear Senator Umberg,

The League of California Cities (Cal Cities) respectfully must issue a position of **concerns** on your **Senate Constitutional Amendment (SCA) 7**, which could threaten cities' ability to provide services to their residents and make the best local policy decisions for their community.

Cities have long respected and abided by existing law that allows public employees to join a union, and we are not disputing the rights of our employees to organize. Our concerns stem from how SCA 7 would impact charter city home rule authority, and undermine cities' autonomy over budgetary and staffing decisions. We are also concerned with the vague and broad language of the constitutional amendment, which will certainly result in increased litigation and legal costs.

SCA 7 upsets the current balance in the system of public employee collective bargaining by enshrining special benefits into the State Constitution that would negatively impact cities throughout the state. California and federal law provide well-informed and well-understood structures for public sector union activity.

The Meyers Milias Brown Act (MMBA) governs labor relations between cities and their employees. The MMBA creates a mandatory collective bargaining system by guaranteeing employees' rights to form, join, participate in, and be represented by employee organizations. The MMBA prohibits public agencies and employee organizations from interfering with, restraining, discriminating, or retaliating against an employee who chooses to exercise their rights under the MMBA¹. Given the existing protections for public employees, SCA 7 is unnecessary and possibly duplicative.

Our additional concerns are that SCA 7 could:

1. Subject many local ordinances to legal challenge on the grounds that the ordinances interfere with, negate, or diminish the rights of employees to organize and bargain collectively over their wages, hours, and other terms and conditions

¹ (Government code section 3506-3506.5)

of employment and workplace safety. For example, SCA 7 could override a city's decision to raise the minimum wage, or the minimum amount of sick time employees receive.

This is particularly alarming with respect to charter cities, as the California Constitution imbues charter cities with additional home rule authority over municipal affairs, including certain wage and benefit provisions that may be enshrined in a city's charter by the city's voters².

2. Be interpreted to allow an employee to make unilateral decisions about their working conditions as necessary to "protect their economic well-being and safety." This provision of the bill is broad and unclear which would certainly lead to implementation challenges and litigation.

Additionally, it could be interpreted to prohibit local budget actions that reduce public employment even in times of economic hardship. Cities may not be able to reduce or reorganize department budgets or make other fiscal decisions that, although a responsible use of taxpayer funds, could result in a reduction of public employment. SCA 7 could be interpreted to prohibit a city from eliminating any employment positions or taking certain disciplinary actions against an employee.

3. Create ambiguity that could have unintended consequences on public employee unions. SCA 7's broad and ambiguous language could grant all Californians the right to negotiate with their employers regardless of their representation status. It is difficult to reconcile this provision with the MMBA, which provides that a public employee has the right to represent themselves individually, but that once a public employer has recognized an employee organization as an exclusive representative, the individual employee is limited to providing input to the employer on matters within the scope of representation and the public employer is not required to bargain separately with the unrepresented individual³.

Since SCA 7 is retroactive to Jan. 1, 2023, it will likely affect and possibly nullify bills adopted this legislative session. SCA 7 could also affect and possibly nullify an unknown number of local ordinances passed this year, leaving local governments in a state of uncertainty regarding which state laws and local ordinances will remain in effect. Many

² (Cal. Const. Art. XI, § 5. See e.g., *United Public Employees, Local 390/400, SEIU, AFL-CIO v. City and County of San Francisco* (1987) 190 Cal.App.3d 419, 42 (upholding the power of the voters in a charter city to reserve the right to either grant or deny benefits of public employment).)

³ (Gov. Code § 3502; *Relyea v. Ventura County Fire Protection Dist.* (1992) 2 Cal.App.4th 875.)



proposed state and local laws would need to be examined for their possible conflict with the far reach of SCA 7.

For these reasons, Cal Cities must **express concerns over SCA 7**. If you have any questions, do not hesitate to contact me at Jpina@calcities.org.

Sincerely,

A handwritten signature in blue ink that reads "Johnnie Pina".

Johnnie Pina
Legislative Affairs, Lobbyist

Attachment 2



September 6, 2023

To: Cindy Owens, City of Beverly Hills

**From: Andrew K. Antwih, Partner, Shaw Yoder Antwih Schmelzer & Lange
Priscilla Quiroz, Legislative Advocate, Shaw Yoder Antwih Schmelzer & Lange**

Re: SCA 7 (Umberg): Employment: workers' rights.

Version

As amended in the Senate as of June 26, 2023.

Summary

If passed, this constitutional amendment would:

- Grant all Californians the right to join a union and to negotiate with their employers, through their legally chosen representative;
- Grant all Californians the right to protect their economic well-being and safety at work;
- Prohibit state and local government, on or after January 1, 2023, from passing, enacting, or adopting any law that interferes with, negates, or diminishes the right of employees to organize and bargain collectively over their wages, hours, and other terms and conditions of employment and workplace safety?

Existing Law

Under the federal National Labor Relations Act (NLRA), existing law governs collective bargaining in the private sector. The NLRA generally preempts state law in the ambit of private sector collective bargaining but leaves it to the states to regulate collective bargaining in their respective public sectors. California public employees have no collective bargaining rights absent specific state statutory authority establishing those rights.

Existing law also provides several statutory frameworks under California law to provide public employees collective bargaining rights, govern public employer-employee relations, and limit labor strife and economic disruption in the public sector through a reasonable method of resolving disputes regarding wages, hours and other terms and conditions of employment between public employers and recognized public employee organizations or their exclusive representatives. These include the Dills Act and Meyers-Milias-Brown Act (MMBA) which provides for state public employer-employee relations and local government employer-employee relations, respectively.

Existing law provides publicly employed firefighters the right to self-organization, to form, join, or assist labor organizations, to present grievances and recommendations regarding wages, salaries, hours, and working conditions to the governing body, and to discuss the same with such governing body, through such an organization, but prohibits them from having the right to strike, or to recognize a picket line of a labor organization while in the course of the performance of their official duties.

Existing law defines a “jurisdictional strike” to mean a concerted refusal to perform work for an employer or any other concerted interference with an employer’s operation or business, arising out of a controversy between two or more labor organizations as to which of them has or should have the exclusive right to bargain collectively with an employer on behalf of his employees or any of them, or arising out of a controversy between two or more labor organizations as to which of them has or should have the exclusive right to have its members perform work for an employer.

Lastly, existing law declares a jurisdictional strike against public policy unlawful.

Background

This measure would establish a broad-based constitutional right for any person in California to form or join a union and for that union to represent the person in collective bargaining with the person’s respective employer.

Existing federal and state law exclude many persons from collective bargaining rights depending on their position, their employer, or some other specific justification. For example, the National Labor Relations Act specifically does not include in its definition of employee “any individual employed as an agricultural laborer, or in the domestic service of any family or person at his home, or any individual employed by his parent or spouse, or any individual having the status of an independent contractor, or any individual employed as a supervisor, or any individual employed by an employer subject to the Railway Labor Act, as amended from time to time, or by any other person who is not an employer as herein defined.”

Thus, private sector supervisors generally do not have collective bargaining rights. Public sector supervisors may or may not have collective bargaining rights depending on the state statutory framework under which their eligibility for collective bargaining rights is authorized. Given the broad right extended by SCA 7, it seems those persons would now have the right to collectively bargain. Thus, previously excluded supervisors would now be able to form or join unions. Yet, since those persons are not included under the NLRA, it is unclear how disputes involving their organizing activities and bargaining agreements could be resolved. Presumably, they would be resolved through litigation in state courts and not through NLRB administrative hearings or any other state administrative hearing process. However, federal courts could also intervene if plaintiffs challenged state law on preemption principles alleging that the Congress, through the NLRA, intended for supervisors not to have collective bargaining rights.

Status of Legislation

This bill is currently pending in the Senate Committee on Elections & Constitutional Amendments.

Support

State Building and Construction Trades
Council (Co-Sponsor)
California Labor Federation (Co-Sponsor)
Actors' Equity
California Federation of Teachers AFL-CIO
California Nurses Association
California School Employees Association
California State Association of Electrical
Workers
California State Council of Laborers

California State Legislative Board of the Sheet
Metal, Air, Rail and Transportation Workers -
Transportation Division (SMART-TD)
California State Pipe Trades Council
California-Nevada Conference of Operating
Engineers
Communication Workers of America, District
9
Disability Rights California
IBEW Local 1245

Office of Lieutenant Governor Eleni
Kounalakis
SEIU California State Council
SEIU Local 1000
Sheet Metal Workers' Local Union No. 104
(SMART)
State Superintendent of Public Instruction
Tony Thurmond
Transport Workers Union of America, AFL-
CIO

Opposition

Agricultural Council of California
Anaheim Chamber of Commerce
Associated Builders and Contractors of
California
Associated General Contractors of California
Association of General Contractors of San
Diego
Bay Area Council
BOMA California
Brawley Chamber of Commerce
Brea Chamber of Commerce
California Association of Health Facilities
California Association of Winegrape Growers
California Building Industry Association
California Business Properties Association
California Business Roundtable
California Chamber of Commerce
California Farm Bureau
California Grocers Association
California League of Food Producers
California Manufacturers & Technology
Association
California New Car Dealers Association
California Policy Center
California Restaurant Association
California Retailers Association
Chino Valley Chamber of Commerce
Corona Chamber of Commerce
Dana Point Chamber of Commerce
Family Business Association of California

UC-AFT
UDW/AFSCME Local 3930
UFCW - Western States Council
United Auto Workers
United Nurses Associations of
California/Union of Health Care Professionals
United Steelworkers District 12
Western States Council of Sheet Metal
Workers

Fontana Chamber of Commerce
Greater Coachella Valley Chamber of
Commerce
Greater High Desert Chamber of Commerce
Housing Contractors of California
Institute of Real Estate Management (IREM)
LA Canada Flintridge Chamber of Commerce
Lake Elsinore Valley Chamber of Commerce
Long Beach Area Chamber of Commerce
Los Angeles Business Federation
Mission Viejo Chamber of Commerce
Moreno Valley Chamber of Commerce
Murrieta Wildomar Chamber of Commerce
NAIOP California
National Federation of Independent Business
Orange County Business Council
Pacific Grove Chamber of Commerce
Palos Verdes Peninsula Chamber of
Commerce
Paso Robles Chamber of Commerce
Rancho Cordova Chamber of Commerce
Ridgecrest Chamber of Commerce
Santa Maria Valley Chamber of Commerce
Southwest California Legislative Council
Templeton Chamber of Commerce
Tri County Chamber Alliance
Walnut Creek Chamber of Commerce
Western Electrical Contractors Association
Western Growers Association
Yorba Linda Chamber of Commerce

Item B-12



CITY OF BEVERLY HILLS
POLICY AND MANAGEMENT

MEMORANDUM

TO: City Council Liaison/Legislative/Lobby Committee

FROM: Cynthia Owens, Municipal Affairs Program Manager

DATE: August 7, 2023

SUBJECT: Assembly Bill 504 (Reyes) -State and Local Public Employees: Labor Relations: Disputes

ATTACHMENT: 1. Bill Summary – AB 504

[Assembly Bill 504 \(Reyes\) -State and Local Public Employees: Labor Relations: Disputes](#) (AB 504) involves a policy matter that is not specifically addressed within the City's adopted Legislative Platform language; however, the League of California Cities is requesting cities to consider taking a position of oppose on this bill.

The City's state lobbyist, Shaw Yoder Antwih Schmelzer and Lange, provided a summary memo for AB 504 to the City (Attachment 1). The state lobbyist will also provide a verbal update to the City Council Liaison/Legislative/Lobby Committee.

After discussion of AB 504, the Liaisons may recommend the following actions:

- 1) Support AB 504;
- 2) Support if amended AB 504;
- 3) Oppose AB 504;
- 4) Oppose unless amended AB 504;
- 5) Remain neutral; or
- 6) Provide other direction to City staff.

Should the Liaisons recommend the City take a position on AB 504, then staff will place the item on a future City Council Agenda for concurrence.

Attachment 1



September 6, 2023

To: Cindy Owens, City of Beverly Hills

**From: Andrew K. Antwih, Partner, Shaw Yoder Antwih Schmelzer & Lange
Priscilla Quiroz, Legislative Advocate, Shaw Yoder Antwih Schmelzer & Lange**

Re: AB 504 (Reyes) State and local public employees: labor relations: disputes

Version

As amended in the Senate as of July 13, 2023.

Summary

This bill protects public employee's rights to engage in sympathy strikes, voids any policy or collective bargaining agreement prohibiting sympathy strikes, and prohibits a public employer from requiring an employee to break a strike of other workers.

Specifically, this bill would:

- Provide, except as specified, that it is not unlawful or a cause for discipline or other adverse action against a public employee for that public employee to refuse to enter property that is the site of a primary strike, perform work for a public employer involved in a primary strike, or go through or work behind a primary strike line.
- Prohibit a public employer from directing a public employee to take the above actions.
- State that a provision in a public employer policy or collective bargaining agreement that purports to limit or waive the rights set forth in this provision shall be void against public policy, except that the bill would require the parties to negotiate over the bill's provisions if the bill conflicts with a collective bargaining agreement entered into before January 1, 2024, as prescribed.
- Exempt certain public employees of fire departments and specified peace officers from these provisions.
- Permit the Public Employment Relations Board (PERB) to seek injunctive relief to enjoin essential employees from striking as that term is described in County Sanitation Dist. No. 2 v. Los Angeles County Employees Assn., (1985) 38 Cal.3d 564, consistent with board precedent.

Existing Law

- Prohibits Congress from making any law abridging the freedom of speech or the right of people to peaceably assemble.
- Prohibits the states from passing any law that impairs the obligation of contracts.

- Grants state the ability to pass laws which may impair the obligation of contracts in order to accommodate the inherent police power of the state to safeguard the vital interests of its people.
- Grants employees the right to engage in concerted activities, including lawful strike actions, for the purpose of collective bargaining or other mutual aid or protection, and the right to refrain from any or all such activities.
- Creates a protected right of public sector employees to participate in union activities.
- Establishes the Meyers-Milias-Brown Act which governs collective bargaining procedures for California's municipal, county, and local special district employees.
- Establishes the State Employer-Employee Relations Act of 1978, or the Dills Act, which governs collective bargaining procedures for state government employees.
- Establishes the Higher Education Employer-Employee Relations Act (HEERA) which governs collective bargaining for the California State University System, the University of California System and what was formerly known as Hastings College of Law.
- Establishes the Prohibition on Public Employers Deterring or Discouraging Union Membership (PEDD). Among other things, the PEDD prohibits a public employer from deterring or discouraging current or prospective public employees from being members of a union or exercising specified collective bargaining rights.
- Subject to limited exceptions, establishes Public Employment Relations Board's (PERB) jurisdiction over the enforcement of laws relating to the union activities of public employees.
- Permits an employee organization subject to the jurisdiction of PERB to bring a claim before the Board for a violation of an employee's right to engage in the PEDD's outlined collective bargaining rights, and directs that, if the Board finds such a violation, the employer shall be subject to a civil penalty as specified and attorney's fees and costs.

Background

In 2022, the University of California (UC) engaged in a labor dispute on low wages and unfair labor practices with graduate workers represented by the United Auto Workers (UAW). As a result, UAW members mobilized and orchestrated a strike. While non-UAW employees wanted to honor the picket line and support their colleagues on these issues that inherently affect every worker, they could not due to clauses in their contracts. California has long led the way in protecting workers' rights in the private and public sector and AB 504 would confirm that standard by allowing public employees to have the opportunity and protection to engage in fair labor practices without facing the fear of retaliation from their employers.

The right of workers to organize and engage in bargaining with their employer collectively is a fundamental right. This right is enshrined in the National Labor Relations Act, which states that employees "shall have the right to self-organization, to form, join, or assist labor organizations, to bargain collectively through representatives of their own choosing, and to engage in other

concerted activities for the purpose of collective bargaining or other mutual aid or protection.” (29 U.S.C. § 157.) That Act also makes clear that nothing in the Act “shall be construed so as either to interfere with or impede or diminish in any way the right to strike or to affect the limitations or qualifications on that right.”

These rights, and the right to strike, came as a result of the Labor Movement that swept the United States in the early Twentieth Century. Tens of thousands of workers across the United States marched, picketed, and struck for their rights, better working conditions, and for the guarantees the NLRA and labor law now provide. That movement, and the prosperity of organized labor today, would not be possible without the right to strike. The NLRA and Wagner Act that preceded it became law after thousands of American workers struck at their workplaces demanding a change. In doing so, they faced threats from their employers, the risk of losing their jobs, and harassment and violence by police. One of the most effective tools to ensure that employers go to the negotiating table with workers was the sympathy strike, where workers from different factories or workplaces would strike in support and solidarity with the workers striking for their rights or better pay. It was the strike, and the sympathy strike, that helped unionize the auto industry and bring Henry Ford to the bargaining table in the 1930’s and 40’s. The right to strike, and the right of other workers to sympathy strike, righted the imbalance of power, forced their employers to actually negotiate with their employees, and ultimately led to the creation of the labor protections that exist today.

Status of Legislation

The bill is currently pending in the Senate Appropriations Committee on the Suspense File.

Support

California Labor Federation, AFL-CIO (co-sponsor)
UAW Local 2865 (co-sponsor)
UAW Local 4123 (co-sponsor)
UAW Local 5810 (co-sponsor)
UAW Region 6 (co-sponsor)
University Council- American Federation of Teachers (co-sponsor)

California Faculty Association
California School Employees Association
California State Legislative Board, Sheet Metal, Air, Rail and Transportation Workers - Transportation Division (SMART-TD)
California Teachers Association
California State University Employees Union

Opposition

Association of California Healthcare Districts (ACHD)
California Association of Joint Powers Authorities (CAJPA)
California Special Districts Association
City of Glendora
City of Placentia
City of Santa Cruz City Council
City of Whittier
City of Kerman
City of Shasta Lake
City of Burbank
City of Tulare
City of Placerville

City of Riverbank
City of La Habra
California State Association of Counties (CSAC)
Public Risk Innovation, Solutions, and Management (PRISM)
Rural County Representatives of California (RCRC)
Solano County Board of Supervisors
Urban Counties of California (UCC)
League of California Cities
California County of Superintendents

Item B-13



CITY OF BEVERLY HILLS
POLICY AND MANAGEMENT

MEMORANDUM

TO: City Council Liaison/Legislative/Lobby Committee
FROM: Cynthia Owens, Municipal Affairs Program Manager
DATE: September 6, 2023
SUBJECT: Senate Bill 253 (Wiener) - Climate Corporate Data Accountability Act
ATTACHMENT: 1. Bill Summary – SB 253

[Senate Bill 253 \(Wiener\) - Climate Corporate Data Accountability Act](#) (SB 253) involves a policy matter that is not specifically addressed within the City's adopted Legislative Platform language.

This item was presented to the Legislative / Lobby Liaison Committee on August 7, 2023. The Committee had questions for the state lobbyist. This item will present the answers to those questions.

The City's state lobbyist, Shaw Yoder Antwih Schmelzer and Lange, provided a summary memo for SB 253 to the City (Attachment 1).

After discussion of SB 253, the Liaisons may recommend the following actions:

- 1) Support SB 253;
- 2) Support if amended SB 253;
- 3) Oppose SB 253;
- 4) Oppose unless amended SB 253;
- 5) Remain neutral; or
- 6) Provide other direction to City staff.

Should the Liaisons recommend the City take a position on SB 253, then staff will place the item on a future City Council Agenda for concurrence.

Attachment 1



September 6, 2023

To: Cindy Owens, City of Beverly Hills

**From: Andrew K. Antwih, Partner, Shaw Yoder Antwih Schmelzer & Lange
Priscilla Quiroz, Legislative Advocate, Shaw Yoder Antwih Schmelzer & Lange**

Re: SB 253 (Wiener): Climate Corporate Data Accountability Act

Version

As amended in the Assembly as of July 12, 2023.

Summary

This bill would require the State Air Resources Board (ARB) to develop and adopt regulations requiring specified partnerships, corporations, limited liability companies, and other U.S. business entities with total annual revenues in excess of \$1 billion and that do business in California, defined as “reporting entities,” to publicly disclose to the emissions reporting organization, as defined, and verify annual greenhouse gas emissions from the specified fiscal year, as provided.

Specifically, this measure does the following:

- Requires, on or before January 1, 2025, ARB to develop and adopt regulations to require a reporting entity to annually disclose to the emissions reporting organization and verify all of the reporting entity’s Scope 1 emissions, Scope 2 emissions, and Scope 3 emissions. Requires ARB to ensure that the regulations require all of the following:
 - That a reporting entity, starting in 2026 on or by a date to be determined ARB, and annually thereafter on or by that date, publicly disclose to the emissions reporting organization all of the reporting entity’s Scope 1 emissions and Scope 2 emissions for the prior fiscal year.
 - That a reporting entity, starting in 2027 and annually thereafter, publicly disclose its Scope 3 emissions no later than 180 days after its Scope 1 emissions and Scope 2 emissions are publicly disclosed to the emissions reporting organization for the prior fiscal year.
- A reporting entity shall measure and report its emissions of GHGs in conformance with the Greenhouse Gas Protocol standards and guidance, including the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard and the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development, including guidance for Scope 3 emissions calculations that detail acceptable use of both primary and secondary data sources, including the use of industry average data, proxy data, and other generic data in its Scope 3 emissions calculations.
- During 2029, ARB is required to review, and on or before January 1, 2030, ARB is required to update as necessary, the public disclosure deadlines to evaluate trends in Scope 3

emissions reporting and consider changes to the disclosure deadlines to ensure that Scope 3 emissions data is disclosed to the emissions reporting organization as close in time as practicable to the deadline for reporting entities to disclose Scope 1 emissions and Scope 2 emissions data.

- The reporting timelines shall consider industry stakeholder input and shall take into account the timelines by which reporting entities typically receive Scope 1, Scope 2, and Scope 3 emissions data, as well as the capacity for independent verification to be performed by a third-party auditor.
- That a reporting entity's public disclosure is made in a manner that is easily understandable and accessible to residents, investors, and other stakeholders of the state.
- That a reporting entity's public disclosure includes the name of the reporting entity and any fictitious names, trade names, assumed names, and logos used by the reporting entity.
- That the emissions reporting is structured in a way that minimizes duplication of effort and allows a reporting entity to submit to the emissions reporting organization reports prepared to meet other national and international reporting requirements, including any reports required by the federal government, as long as those reports satisfy all of the specified requirements.
- That a reporting entity's public disclosure is independently verified by a third-party auditor. The reporting entity is required to ensure that a copy of the complete, audited GHG inventory, including the name of the third-party auditor, is provided to the emissions reporting organization as part of or in connection with the reporting entity's public disclosure.
- Scope 1 emissions and Scope 2 emissions are required to be audited at a limited assurance level beginning in 2026 and at a reasonable assurance level beginning in 2030.
- During 2026, ARB is required to review and evaluate trends in third-party verification requirements for Scope 3 emissions. On or before January 1, 2027, ARB is authorized to establish an assurance requirement for third-party audits of Scope 3 emissions. Scope 3 emissions shall be audited at a limited assurance level beginning in 2030.
- A third-party auditor is required to be an expert in the emission of GHGs because of significant experience in measuring, analyzing, reporting, or attesting to the emission of GHGs. A third-party auditor is required to have sufficient competence and capabilities necessary to perform engagements in accordance with professional standards and applicable legal and regulatory requirements and to enable the auditor to issue reports that are appropriate under the circumstances and independent with respect to the reporting entity, and any of the reporting entity's affiliates for which it is providing the verification report, during the verification and professional engagement period. During 2029, ARB is required to review, and on or before January 1, 2030, ARB is required to update as necessary, the qualifications for third party auditors to evaluate trends in education relating to the emission of GHGs and consider updating guidance on third-party auditors.

- ARB is required to ensure that the verification process minimizes the need for reporting entities to engage multiple auditors and ensures sufficient auditor capacity, as well as timely reporting implementation.
- That a reporting entity, upon filing its disclosure, is required to pay an annual fee that may not exceed the reasonable regulatory costs of ARB for the administration and implementation of this bill. The annual fee imposed on a reporting entity may not exceed \$1,000.
- Provides that nothing in this bill requires additional reporting of emissions of GHGs beyond the reporting of Scope 1 emissions, Scope 2 emissions, and Scope 3 emissions required pursuant to the Greenhouse Gas Protocol standards and guidance.
- Requires, on or before July 1, 2027, ARB to contract with the University of California, the California State University, a national laboratory, or another equivalent academic institution to prepare a report on the public disclosures made by reporting entities to the emissions reporting organization and the regulations adopted by ARB. Requires, in preparing the report, consideration to be given to, at a minimum, GHGs from reporting entities in the context of state GHG reduction and climate goals. Requires the entity preparing the report to not require reporting entities to report any information beyond what is required pursuant to this bill or the regulations adopted by ARB.
- Requires ARB to submit the report to the emissions reporting organization to be made publicly available on the digital platform required to be created by the emissions reporting organization.
- Requires the emissions reporting organization, on or before the date determined by ARB, to create a digital platform, which shall be accessible to the public that will feature the emissions data of reporting entities in conformance with the regulations adopted by ARB and the report prepared for ARB. Requires the emissions reporting organization to make the reporting entities' disclosures and ARB's report available on the digital platform within 30 days of receipt.
- Requires the digital platform to be capable of featuring individual reporting entity disclosures, and to allow consumers to view reported data elements aggregated in a variety of ways, including multiyear data, in a manner that is easily understandable and accessible to residents of the state. Requires all data sets and customized views to be available in electronic format for access and use by the public.
- Provides that ARB's enforcement of AB 32 compliance does not apply to a violation of this bill.
- Requires ARB to adopt regulations that authorize it to seek administrative penalties for nonfiling, late filing, or other failure to meet the requirements of this bill. Prohibits the administrative penalties imposed on a reporting entity from exceeding \$500,000 in a reporting year. Requires ARB, in imposing penalties for a violation, to consider all relevant circumstances, including both of the following:
 - The violator's past and present compliance; and,

- Whether the violator took good faith measures to comply and when those measures were taken.
- Provides that a reporting entity shall not be subject to an administrative penalty for any misstatements with regard to Scope 3 emissions disclosures made with a reasonable basis and disclosed in good faith.
- Provides that this bill applies to the University of California only to the extent that the Regents of the University of California, by resolution, make any of these provisions applicable to the university.

Existing Law

- Requires ARB, pursuant to California Global Warming Solutions Act of 2006 [AB 32 (Núñez), Chapter 488, Statutes of 2006], to adopt a statewide GHG emissions limit equivalent to 1990 levels by 2020, and
- Requires the reduction of GHGs to 40% below 1990 levels by 2030 and to 85% below 1990 levels by 2045, and:
- Authorizes ARB to adopt a regulation that establishes a system of market-based declining annual aggregate emission limits for sources or categories of sources that emit GHG emissions, applicable until December 31, 2030. Under this authority, ARB adopted a cap-and-trade regulation that applies to large industrial facilities and electricity generators emitting more than 25,000 metric tons of carbon dioxide equivalent per year, as well as distributors of fuels, including gasoline, diesel, and natural gas.
- Requires the monitoring and annual reporting of GHG emissions from GHG emission sources beginning with the sources or categories of sources that contribute the most to statewide emissions, and dictates that for the cap-and-trade program established pursuant to AB 32, entities that voluntarily participated in the California Climate Action Registry prior to December 31, 2006, and had developed a GHG emission reporting program, they would not be required to significantly alter their reporting or verification program except as necessary for compliance.
- Declares, pursuant to SCR 53 (McGuire), Res. Chapter 119, Statutes of 2022, that a climate emergency threatens the state, the nation, the planet, the natural world, and all of humanity.
- Requires corporations in California to report specified operating information to the Secretary of State (SOS).

Background

Reporting GHG emissions.

Under AB 32, the Mandatory Reporting of Greenhouse Gas Emissions regulation (MRR) requires hundreds of businesses, including electricity generators, industrial facilities, fuel suppliers, and electricity importers, to report GHGs to ARB. A summary of reported GHG emissions data reported under MRR is made public each year. ARB implements and oversees a third-party verification program to support mandatory GHG reporting. All GHG reports subject to the Cap-and-Trade Program must be independently verified by ARB-accredited verification bodies and verifiers.

On a global scale, the “Scope” framework was introduced in 2001 by the WRI and World Business Council for Sustainable Development as part of their Greenhouse Gas Protocol Corporate Accounting and Reporting Standard. The goal was to create a universal method for companies to measure and report the emissions associated with their business. The three Scopes allow companies to differentiate between the emissions they emit directly into the air, which they have the most control over, and the emissions they contribute to indirectly.

Scope 1 covers all direct GHGs that stem from sources that a reporting entity owns or directly controls, regardless of location, including, but not limited to, fuel combustion activities.

Scope 2 covers indirect GHGs from consumed electricity, steam, heating, or cooling purchased or acquired by a reporting entity, regardless of location.

Scope 3 includes all other indirect emissions that occur in a company’s value chain, such as purchased goods and services, business travel, employee commuting, waste disposal, use of sold products, transportation and distribution (up- and downstream), investments, and leased assets and franchises.

Scope 1 and 2 emissions alone have shortcomings. First, Scope 1 and 2 emission sums can be manipulated. For example, a company that was once vertically integrated can procure materials from outside suppliers. Thus, the emissions produced during the making of an input material could be moved off the company’s balance sheets and excluded from measurement. This would hide the true amount of carbon emitted throughout the organization’s value chain and thwart the asset owner’s efforts to estimate climate risk. In addition, Scope 1 and 2 emissions are under-inclusive. These deficiencies can be addressed through the inclusion of Scope 3 emissions.

Recent research from CDP (formerly the Carbon Disclosure Project) found that Scope 3 supply chain emissions are on average 11.4 times greater than operational (Scope 1 and 2) emissions, which is more than double the previous estimate.

Status of Legislation

This bill is currently pending the Assembly Committee on Appropriations and is on the Suspense File.

Support

1000 Grandmothers for Future Generations
350 Bay Area Action
350 Conejo / San Fernando Valley
350 Marin
350 Sacramento
Active San Gabriel Valley
Alameda County Democratic Party
Asian Pacific Environmental Network
Audubon California
Avocado Green Brands
California Calls
California Environmental Justice Alliance
California Environmental Voters
California Faculty Association
California Green New Deal Coalition
California Health+Advocates, Subsidiary of

The California Primary Care Association
California Interfaith Power and Light
California Nurses for Environmental Health and Justice
California Reinvestment Coalition
Californians Against Waste
Californians for Energy Choice
CALPIRG
Cascadia Climate Action Now
Center for Biological Diversity
Center for Climate Change and Health
Ceres
Citizens' Climate Lobby Santa Cruz
Cleaneearth4kids.org
Climate Action California
Climate Action Campaign

Climate Equity Policy Center
 Climate Hawks Vote
 Climate Reality Project, Los Angeles
 Chapter
 Climate Reality Project, San Fernando
 Valley
 Climateplan
 Coalition for Clean Air
 Courage California
 Culver City Democratic Club
 Dignity Health
 Earthjustice
 Eileen Fisher
 Elders Climate Action, Norcal and Socal
 Chapters
 Environment California
 Environmental Defense Fund
 Environmental Working Group
 Everlane
 Fossil Free California
 Friends Committee on Legislation of
 California
 Friends of The Earth
 Green New Deal At UC San Diego
 Greenbelt Alliance
 Grove Collaborative
 Hammond Climate Solutions Foundation
 Human Impact Partners
 IKEA
 Indivisible Ca: Statestrong
 Lawyers Committee for Civil Rights of The
 San Francisco Bay Area
 Lawyers' Committee for Civil Rights of The
 San Francisco Bay Area
 League of Women Voters of California

Opposition

Advanced Medical Technology Association
 African American Farmers of California
 Agricultural Council of California
 Agricultural Energy Consumer Association
 American Bakers Association
 American Beverage Association
 American Chemistry Council
 American Composites Manufacturers
 Association
 American Council of Life Insurers
 American Pistachio Growers
 American Property Casualty Insurance
 Association

Microsoft Corporation
 Mono Lake Committee
 Move LA
 Natural Resources Defense Council
 Nextgen California
 Patagonia
 Pesticide Action Network
 Planning and Conservation League
 Plastic Pollution Coalition
 Progressives for Democracy in America
 Public Citizen
 REI
 Sacramento Area Congregations Together
 Salesforce.com, INC.
 San Diego 350
 San Francisco Baykeeper
 Save the Bay
 SEIU California
 Seventh Generation
 Sierra Club California
 Sierra Nevada Brewing Company
 Solano County Democratic Central
 Committee
 Sunflower Alliance
 Sunrise Movement San Diego
 Sustainable Rossmore
 Techequity Collaborative
 The Climate Center
 The Nature Conservancy
 This! Is What We Did
 Transformative Wealth Management LLC
 University Professional and Technical
 Employees
 Voices for Progress

Antelope Valley Chambers of Commerce
 Association of California Life and Health
 Insurance Companies
 Bank Policy Institute
 Building Owners and Managers Association
 of California
 Cal Asian Chamber of Commerce
 CalCIMA
 California Apartment Association
 California Apple Commission
 California Bankers Association
 California Blueberry Association
 California Blueberry Commission

California Building Industry Association
 California Business Properties Association
 California Business Roundtable
 California Cattlemen's Association
 California Cement Manufacturers
 Environmental Coalition
 California Chamber of Commerce
 California Construction & Industrial
 Materials Association
 California Cotton Ginners & Growers
 Association
 California Credit Union League
 California Date Commission
 California Food Producers
 California Forestry Association
 California Fresh Fruit Association
 California Fuels and Convenience Alliance
 California Hispanic Chamber of Commerce
 California Hospital Association
 California Independent Petroleum
 Association
 California Life Sciences
 California Manufactures & Technology
 Association
 California Mortgage Bankers Association
 California Poultry Federation
 California Railroads
 California Restaurant Association
 California Retailers Association
 California Taxpayers Association
 California Trucking Association
 California Walnut Commission
 California Water Association
 Carlsbad Chamber of Commerce
 Chemical Industry Council of California
 Chino Valley Chamber of Commerce
 Citrus Heights Chamber of Commerce
 Costa Mesa Chamber of Commerce
 Credit Union National Association
 Danville Area Chamber of Commerce
 Far West Equipment Dealers Association
 Financial Services Institute
 Greater High Desert Chamber of Commerce
 Insured Retirement Institute
 LA Canada Flintridge Chamber of
 Commerce
 Long Beach Area Chamber of Commerce
 Los Angeles Area Chamber of Commerce
 Los Angeles County Business Federation
 NAIOP California

National Association of Mutual Insurance
 Companies
 Nisei Farmers League
 North San Diego Business Chamber
 Oceanside Chamber of Commerce
 Olive Growers Council of California
 Orange County Business Council
 Pacific Merchant Shipping Association
 Palos Verdes Peninsula Chamber of
 Commerce
 PCI West-chapter of The Precast/Prestressed
 Concrete Institute
 Personal Insurance Federation of California
 Plumbing Manufacturers International
 Rancho Cordova Chamber of Commerce
 San Diego Gas and Electric Company
 Santa Barbara South Coast Chamber of
 Commerce
 Santee Chamber of Commerce
 Securities Industry and Financial Markets
 Association
 Simi Valley Chamber of Commerce
 Southern California Gas Company
 Specialty Equipment Market Association
 (SEMA)
 Technet
 Tenaska
 The Association of General Contractors of
 America
 Torrance Area Chamber of Commerce
 Truck and Engine Manufacturers
 Association
 Walnut Creek Chamber of Commerce
 West Ventura County Business Alliance
 Western Agricultural Processors Association
 Western Growers Association
 Western Plant Health Association
 Western States Petroleum Association
 Wine Institute

Item B-14



CITY OF BEVERLY HILLS
POLICY AND MANAGEMENT

MEMORANDUM

TO: City Council Liaison/Legislative/Lobby Committee

FROM: Cynthia Owens, Municipal Affairs Program Manager

DATE: September 6, 2023

SUBJECT: Assembly Bill 972 (Maienschein) - Local Assistance and Grant Program Streamlining Workgroup

ATTACHMENT: 1. Bill Summary – AB 972

[Assembly Bill 972 \(Maienschein\) - Local Assistance and Grant Program Streamlining Workgroup](#) (AB 972) involves a policy matter that is not specifically addressed within the City's adopted Legislative Platform language; however, the League of California Cities is requesting cities to consider supporting this bill.

The City's state lobbyist, Shaw Yoder Antwih Schmelzer and Lange, provided a summary memo for AB 972 to the City (Attachment 1). The state lobbyist will also provide a verbal update to the City Council Liaison/Legislative/Lobby Committee.

After discussion of AB 972, the Liaisons may recommend the following actions:

- 1) Support AB 972;
- 2) Support if amended AB 972;
- 3) Oppose AB 972;
- 4) Oppose unless amended AB 972;
- 5) Remain neutral; or
- 6) Provide other direction to City staff.

Should the Liaisons recommend the City take a position on AB 972, then staff will place the item on a future City Council Agenda for concurrence.

Attachment 1



September 6, 2023

To: Cindy Owens, City of Beverly Hills

**From: Andrew K. Antwih, Partner, Shaw Yoder Antwih Schmelzer & Lange
Priscilla Quiroz, Legislative Advocate, Shaw Yoder Antwih Schmelzer & Lange**

**Re: AB 972 (Maienschein): Local Assistance and Grant Program Streamlining
Workgroup.**

Version

As amended in the Senate as of June 29, 2023.

Summary

This bill would require the Governor's Office of Planning and Research (OPR) to convene a specified statewide, cross-agency Local Assistance and Grant Program Streamlining Workgroup (Workgroup) by January 1, 2025, to centralize local assistance and develop a coordinated system to manage available state and federal funding, as specified. The workgroup must submit a report of findings, plans, and recommendations to the Legislature and Department of Finance (DOF) by June 30, 2026.

Specifically, this bill would:

- Require OPR, in consultation with the League of California Cities (League), the California State Association of Counties (CSAC), and the California Special Districts Association (CSDA), to convene a statewide, cross-agency Workgroup by January 1, 2025 to centralize local assistance and develop a coordinated system to manage available state and federal funding, as specified.
- Require the Workgroup to prioritize the unique needs of under-resourced and disadvantaged communities and consider ways to achieve more equitable distribution of funds.
- Require OPR to chair the Workgroup and appoint Workgroup members, including representatives from CalEPA, CNRA, DOF, CDT, the League, CSAC, CSDA, and 14 city and county members of various sizes and characteristics, as specified.
- Require the Workgroup to consider, but not be limited to, developing plans and recommendations that accomplish any of the following:
 - Creation, coordination, and implementation of an integrated, statewide, centralized program for assistance and training to local governments in grant application development, project management, implementation, and monitoring.
 - Identify substantially similar state climate resiliency and other environmental or natural resources programs to enable the state to implement a single application,

with aligned scoring criteria and deadlines, for making coordinated awards under all programs, pursuant to the specified timelines.

- Identify information technology solutions to improve processes, support uniform applications, and manage data.
- Require the Workgroup to develop a report that includes its findings, plans, and recommendations by June 30, 2026 that includes short-, medium-, and long-term solutions that can be accomplished by January 31, 2027, July 1, 2027, and July 1, 2028, respectively.
- Require the Workgroup to submit the report to the Legislature and DOF, and post it on OPR's website.
- Disband the Workgroup as of June 30, 2026.
- Prohibit the implementation of the Workgroup's recommendations, as specified in the report, without an appropriation by the Legislature.

Existing Law

Existing law requires the State Clearinghouse, which is located within OPR, to serve as the "State Single Point of Contact" for coordinating state and local review of certain federal community development-related documents, pursuant to Presidential Executive Order 12372. In this capacity, the State Clearinghouse coordinates the review of federal financial assistance applications, federally required state plans, direct federal development activities, and federal environmental documents. OPR is required to coordinate the development of policies and criteria to ensure that federal grants administered or expended by the state advance statewide environmental goals and objectives.

Existing law, as enacted by AB 1348 (Irwin), Chap. 444/2016, establishes the position of federal grant administrator within the State Clearinghouse to serve as the state's primary point of contact for information on federal grants. Among other things, the federal grant administrator is authorized to work with state and local government officials, nonprofits, foundations, higher education institutions, and other interested parties on applying for and managing federal grants, and to provide training to encourage and improve the ability to pursue and manage federal grants.

Existing law, as enacted by AB 2252 (Limón), Chap. 318/2018, requires the California State Library (CSL) to create a centralized location where entities seeking state grants could find information on all state-related grant programs. The law requires the CSL to create an interactive website identifying every grant administered by the state and requires state agencies to register every grant they administer with the CSL before opening a solicitation or award process for distribution of the grant.

Background

The Governor's Office of Planning and Research (OPR) is the state's chief planning agency and advises local governments on their planning responsibilities. It serves as a resource for land use planning and provides guidance on the California Environmental Quality Act. In recent years, it has begun working on climate risks and high-road economic development issues.

As a result of AB 2252 (Limón, 2018), the California State Library (CSL) created a centralized location where entities seeking state grants could find information on all state-related grant programs. The law required the CSL to create an interactive website identifying every grant administered by the state – and required state agencies to register every grant they administer with the CSL before opening a solicitation or award process for distribution of the grant.

According to a report issued by the CSL in 2022, it collaborated with more than 50 state agencies, departments, commissions, and bureaus that award grants or loans on a competitive or first-come, first-served basis. Fifty-nine state agencies posted available grants on the website and beginning later this year, post-award data will be available to show where grants have been distributed throughout California.

Another coordinated grant program effort was created in 2020 by AB 434 (Daly). This measure aligned six rental housing programs with the Multifamily Housing Program (MHP), to allow the state Department of Housing and Community Development (HCD) to implement a single application and scoring system for making coordinated awards under all seven programs.

The author hopes to use the work group created by this bill to develop a similar coordinated approach to help local governments more easily apply for environmental and natural resources-related grant programs, as well as create a more centralized system for providing technical assistance to local governments.

Status of Legislation

This bill is currently pending in the Senate Committee on Appropriations on the Suspense File.

Support

League of California Cities (Sponsor)
City of Norwalk
City of San Marcos
City of Thousand Oaks

Opposition

None listed at this time.

Item B-15



CITY OF BEVERLY HILLS
POLICY AND MANAGEMENT

MEMORANDUM

TO: City Council Liaison/Legislative/Lobby Committee
FROM: Cynthia Owens, Municipal Affairs Program Manager
DATE: September 6, 2023
SUBJECT: Legislative Updates
ATTACHMENTS: None

Verbal updates on legislative issues will be presented by the City's lobbyists.

Item B-16



CITY OF BEVERLY HILLS
POLICY AND MANAGEMENT
MEMORANDUM

TO: City Council Liaison/Legislative/Lobby Committee
FROM: Cynthia Owens, Municipal Affairs Program Manager
DATE: September 6, 2023
SUBJECT: Future Agenda Items Discussion
ATTACHMENTS: None

The Legislative/Lobby Liaison Committee may request items related to the purview of the Committee be placed on the next agenda.