



CITY OF CUPERTINO

DRAFT MINUTES

LEGISLATIVE REVIEW COMMITTEE

10300 Torre Avenue, City Hall, Conference Room A

Tuesday, August 27, 2019

9:30 AM

Special Meeting

ROLL CALL

The meeting was called to order at 9:35 a.m.

Present: Mayor Steven Scharf, Vice Mayor Liang Chao, City Manager Deborah Feng, Townsend Public Affairs (TPA), Assistant to the City Manager Katy Nomura.

APPROVAL OF MINUTES

- Subject: Approve the June 25th Legislative Review Committee minutes (Continued from July 23rd meeting)

Recommended Action: Approve the June 25th Legislative Review Committee minutes

The Mayor makes a motion to approve the June 25th minutes. Vice Mayor seconds the motion.
- Subject: Approve the July 23rd Legislative Review Committee Minutes.

Recommended Action: Approve the July 23rd Legislative Review Committee minutes.

The Mayor makes a motion to approve the July 23rd minutes. Vice Mayor seconds the motion.

ORAL COMMUNICATIONS

Jennifer Griffin spoke about issues in Sacramento and mentioned that similar issues are happening in Portland and Seattle. She fears the loss of local control.

PUBLIC COMMENT (including comments on all agenda items)

This item was not conducted as the Chair decided to take public comment on agenda items when the agenda items were discussed.

AGENDA REVIEW

This item was not conducted

ACTION ITEMS

3. Subject: Legislative updates

Recommended Action: Receive legislative update and provide input

TPA explains that the legislature has three more weeks until they adjourn on Friday September 13th. Most of the bills that we are looking at right now and that the City has taken a position on are going through the Appropriations Committee (AC). A number of them are on the suspense file and both the AC and the Fiscal Committee will be considering those bills on Friday August 30th. Any bill that has a fiscal impact to the state that is greater than a \$150,000 is referred to the suspense file, which then allows the AC to evaluate all of the proposed spending. On Friday, the AC will vote on about 1100 active bills. Afterwards, the legislature will be conducting floor votes every day until the legislative session adjourns on the 13th.

SB 330 and SB 592 will be heard tomorrow morning in the Appropriations Committee and those will most likely not get referred to the suspense file because they do not meet the financial threshold for state impact.

The Prop 13 reform bill, also known as the split role bill, is an initiative that qualified for the November 2020 ballot that would modify the property evaluations for commercial and business properties. Currently under Prop 13, the property tax is based on 1% of the property's purchase price, which can then be adjusted up to 2% annually. This measure would not change the tax rate on commercial and business properties, however in 2022, Counties would be required to reassess the current market value of the property at least every three years, which could change the value of the properties in question. This would only impact business and industrial type properties with some exemptions for small businesses. This change is anticipated to generate an additional \$10 to \$12 billion in annual revenue. Forty percent would go to education and 60 percent would go to local services.

Proponents of this initiative have filed for a new initiative after taking consideration from feedback in opposition to this bill and hope to requalify a new ballot measure to replace the current one. The biggest change in this new initiative is in the way they define small businesses as having 50 employees, property values less than \$3 million, or if they are a small business within a larger multi-business complex. The financial supporters for this bill have been through the California Teachers Association (CTA) and other labor organizations. This bill is essentially supported by people that are going to benefit from the state having a larger general fund. There has not been any active campaigning yet, so it is hard to tell how likely this bill is to pass even if it only needs a majority vote. The governor showed his interest in this bill as a possibility to entertain a larger statewide revamp of the state tax code. This is very difficult to do, but we should keep an eye on it next year.

ACA 1 would have effectively lowered the local voting threshold from 2/3 to 55% for local revenue and bond measures, which would have applied to bonds and parcel taxes

and other general taxes. This measure fell in the Assembly and will most likely not come back until next year, however, this bill ultimately needs to pass by the voters, since it's a constitutional amendment. There is a lot of support from local cities including the League, but we will probably have to wait until after session adjourns to see what happens with this bill.

SB 50 is a two-year bill and it will not come back until the next legislative session.

SB 592 was last amended to remove the compensatory damage provisions, however there was another set of amendments that just came through this morning that are being reviewed currently. Both this bill and SB 330 are up in the Appropriations Committee tomorrow and will most likely move out of Appropriations since there is minimal impact on the state and the governor has expressed his support for SB 330 along with AB 1482. SB 330 has not been amended since the last committee meeting. Currently the bill includes a limit of 5 hearings within a 12-month period.

4. Subject: Update on positions taken by the League of California Cities (League), American Planning Association (APA), and the Cities Association of Santa Clara County (CASCC)
Recommended Action: Receive update on positions taken by the League, APA, and CASCC and provide input

TPA explains that the League, APA, and the CASCC have mostly been focusing on the same bills as Cupertino. The League heavily supports ACA 1 but are trying to seek some amendments for some ADU bills, but at this point most of their positions are locked in. As the legislature takes some amendments in the last couple of weeks some of the "oppose unless amended" positions may become neutral for these organizations. These organizations are closely watching AB 1484, which deals with mitigation fees and public notice. TPA anticipates that this bill will become a two-year bill but are keeping a close eye on it since the City is very interested in mitigation fees.

Wieckowski's ADU bill, SB 13, is currently in the Appropriations suspense file, but TPA expects some amendments among all the ADU bills to come in the next few days. The authors and the Appropriations committee have all received Cupertino's letters of opposition and if the bill moves out of the suspense file then we may do another round of the City's letter.

5. Subject: Discuss a letter to the governor on the trailer bill process
Recommended Action: Authorize the Mayor to send a Letter to the Governor on the trailer bill process.

TPA explains that the state budget is done in a single bill every year and there are numerous pieces of legislation that are needed to enact various spending or policy changes to implement the actual budget bill. Those are commonly in the capital referred to as budget trailer bills. There's typically one or more per subject areas so usually the budget includes about 20 trailer bills. These bills are generally not in print for very long before they're voted on, but they have to at least be in print for 72 hours. The bills are

printed after deals have already been reached between the administration and the legislature and the bill just reflects the deals that have already been reached. So generally, by the time a budget trailer bill is in print, everything has already been agreed upon already. Governor Brown was notorious for putting a lot of major policy into budget trailer bills and Newsom, at least this year, has not. This is the way in which legislation can get through without the significant amount of public input and they only require a majority vote and they go into effect immediately. The Governor can decide to put anything into a budget trailer bill as long as they are statutory changes and not constitutional ones. Ultimately, they have to be related to the state budget, and show how those funds are being allocated. AB 101 was the large budget trailer bill that had some provisions that related to SB 35 through HCD. Currently the bulk of the trailer bills have already been approved and signed by the governor, but there are still a handful that may be amended into print by the end of session, which will be the last chance to make any modifications to this year's state budget until January. Once those bills are in print, they would have to be voted on by the two houses.

Action Taken:

None

6. Subject: Consider adopting a position on AB 1210 (Low) - Crimes: package theft (Continued from July 23rd meeting)

Recommended Action: Adopt a position supporting Assembly Bill 1210 and authorize the Mayor to send a letter of support to the State Legislature

TPA explains that AB 1210 makes it a crime to enter into a patio or property adjacent to a dwelling with the intent to steal a package that has been delivered to that dwelling. Under current law, it is only a theft if you steal a package that was delivered by the postal service, but there are some provisions that would make it a grand theft depending on what's in a package. This bill would make this crime a felony or a misdemeanor at the discretion of the judicial system. It was made into a two-year bill, so it will come back to the legislature in January.

Opposition to this bill are primarily from the ACLU and the Public Defenders Association since the voters approved Prop 47, which moved a number of nonviolent crimes to misdemeanors. They feel that this bill goes against Prop 47, and essentially the will of the voters.

Public Comment:

Liana Crabtree noted that it would be problematic if a person stole a low-cost item and then got registered as a felon. TPA explains that this bill does allow for discretion for the attorneys to decide the appropriate punishment for offenders. The committee agreed that package theft is a huge problem in Cupertino and have decided to adopt a position of support for AB 1210.

Action Taken:

The Vice Mayor makes a motion to support AB 1210 and send a letter of support to the State Legislature. The Mayor seconded. The motion carried unanimously.

7. Subject: Discuss AB 101/SB 102 (Committee on Budget) - Housing Development and Financing

Recommended Action: Discuss and provide input on AB 101/SB 102

This item was not conducted since it was discussed in item 3.

8. Subject: Consider adopting a position on AB 1487 (Chiu) - San Francisco Bay Area housing development

Recommended Action: Consider adopting a position on AB 1487 and authorizing the Mayor to send a letter to the State Legislature

TPA is currently anticipating amendments possibly tomorrow. This bill would create the Bay Area Regional Housing Finance Authority, which would give authority to the Association of Bay Area Governments (ABAG) and the Metropolitan Transportation Commission (MTC) to generate revenue for affordable housing, among other things. Both ABAG and MTC created a list of recommendations for amendments. The author is working with Senator McGuire, the chair of the Governance and Finance Committee in the Senate. These are not yet in print, however TPA has heard that the money will come from Business and property taxes from cities and 80% will be returned to the County, which is called return-to-source funding. The three largest cities, San Jose, San Francisco, and Oakland would get their cut off the top from the County's funds and then other cities would apply for the rest. The details of this will be clearer once the bill is in print.

Public Comment:

Jennifer Griffin thinks that this bill is only benefitting the larger cities, especially San Francisco.

The committee discussed the possible implications of the return to source payment to the County. They want to ensure that cities will get the proper return of their tax dollars. TPA explains that they will be able to take a formal position once the bill is in print, however the LRC could still send over a letter that expresses their interest in this bill.

Action Taken:

The Mayor makes a motion to send a letter expressing their interest and concerns to the State Legislator. Vice Mayor Seconds. The motion carries unanimously.

9. Subject: Consider adopting a position on AB 1482 (Chiu) - Tenancy: rent caps

Recommended Action: Consider taking a position on AB 1482 and authorizing the Mayor to send a letter to the State Legislature

TPA explains that this bill aims to limit rent gouging by putting a max on annual rent increases of 7% plus inflation to a maximum of 10% for housing over 10 years old. This

bill would also prevent landlords from evicting their tenants without statement of just cause. This bill would not have any impact on any local control ordinances. The committee does not agree with the differentiation between old and new buildings. Katy Nomura, the Assistant to the City Manager, points out that the LRC's legislative platform does not allow them to take a position on this bill without taking it to Council.

Public Comment:

Jennifer Griffin believes this bill is senseless and wants the city to oppose this bill. Kitty Moore believes that the committee should take a position on this bill or the City will look like it is not concerned about housing security.

Action Taken:

The Mayor said he would add this item to the City Council agenda.

10. Subject: Consider adopting a position on SB 6 (Beall) - Residential development: available land

Recommended Action: Adopt a position supporting Senate Bill 6 and authorize the Mayor to send a letter of support to the State Legislature

TPA explains that this bill would require a new database of state surplus properties as well as sites that have been identified as suitable for residential development. This would be available to the public. The Vice Mayor likes that the database is limited to housing element sites that the City adopts thorough the legislative process.

Public Comment:

Jennifer Griffin feels nervous that land in Cupertino would be under the prying eyes in Sacramento because they may take away potential park land in Cupertino. TPA explains that lands that are not in the housing element will not be on the database.

Liana Crabtree asks what the purpose of the database is if it is private property? TPA explains that this bill is trying to take inventory information that would already be available through each individual City and putting that information into one database. She also asks what constitutes a "surplus land" and TPA responds that there is a State Surplus Land Act that categorizes surplus land properties based on future uses, design uses, underutilization, and other factors.

Rahul Vasanth asks if it is already required to rezone to accommodate the RHNA program.

Action Taken:

The Mayor makes a motion to support SB 6 and authorize the Mayor to send a letter of support to the State Legislature. The Vice Mayor seconds. The motion carries unanimously.

11. Subject: Consider adopting positions on SB 54 (Allen) and AB 1080 (Gonzalez) - California Circular Economy and Plastic Pollution Reduction Act

Recommended Action: Adopt positions supporting Senate Bill 54 and Assembly Bill 1080 and authorize the Mayor to send letters of support to the State Legislature

TPA explains that these two bills are identical, and they work towards the reduction of single use plastic. Both are currently in the suspense file in the Appropriations Committee. CalRecycle would be charged with adopting regulations to implement the reduction. In 2024, their goal is to reduce single use plastic by 20% and by 2030 they want to be at 75% reduction.

Public Comment:

Jennifer Griffin wants the committee to remember that the elderly and handicap community have difficulties with opening packaging now and this bill might them more difficult to open in the future. Vice Mayor would like to add this consideration to the letter for the State Legislature.

Action Taken:

The Vice Mayor makes a motion to support SB 54 and AB 1080 and authorize the Mayor to send a letter to the State Legislature. The Mayor seconds. The motion carries unanimously.

12. Subject: Future bill ideas

Recommended Action: Discuss and provide input on future bill ideas

This item was not conducted.

13. Subject: Discussion of future meetings and agenda topics

Recommended Action: Recommend future meetings and agenda topics

TPA will work to create request for veto and request for support letters to the Governor.

The next meeting is scheduled for Tuesday October 29th at 5pm

ADJOURNMENT

The meeting was adjourned at 12:02 p.m.