

**CUPERTINO****CITY OF CUPERTINO****APPROVED MINUTES****LEGISLATIVE REVIEW COMMITTEE**

10300 Torre Avenue, City Hall, Conference Room A

Tuesday, October 29, 2019

5:00 PM

SPECIAL MEETING**ROLL CALL**

The meeting was called to order at 5:05 p.m.

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

APPROVAL OF MINUTES

1. Subject: Approve the August 27th Legislative Review Committee Minutes
Recommended Action: Approve the August 27th Legislative Review Committee minutes
- 1a. Subject: Approve the September 3rd Legislative Review Committee Minutes
Recommended Action: Approve the September 3rd Legislative Review Committee minutes

Mayor Scharf moved to approve the August 27 and September 3 Legislative Review Committee minutes. Vice Mayor Chao seconded. The motion carried unanimously.

ORAL COMMUNICATIONS

Jennifer Griffin spoke about her suspicions about the motives of the CASA Compact.

Rahul Vasanth talks about Plan Bay Area and recommends looking at its impact on Cupertino

Kitty Moore, representing herself, speaks about the MTC pop up event and AB 1485's impact on SB 35. She also wants the City to prepare for SB 330.

PUBLIC COMMENT (including comments on all agenda items)

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

AGENDA REVIEW

This item was not conducted.

ACTION ITEMS

2. Subject: 2019 Legislative overview of signed, vetoed, and two-year bills
Recommended Action: Receive legislative overview and provide input

TPA mentions that the legislative session ended on September 13 and the Governor had a month until October 13 to act on the bills. At the beginning of session there were about 2600 bills introduced. There were 1042 bills that were sent to the Governor and he signed 870 bills and vetoed 172, which is a 16.5% veto rate. This overview includes signed, vetoed, and two-year bills that are of interest to the City of Cupertino.

Signed Bills:

Governor Newsom signed all three of the major ADU bills, AB 68, AB 881, SB 13, which Cupertino opposed.

AB 68 allows two ADU's per lot in a single-family home and multiple in a multifamily dwelling unit. There are no limits to lot sizes and no requirements for replacement parking. SB 13 has some provisions where you won't be able to charge impact fees for ADU's that are below 750 square feet.

AB 881 states that for the next five years there cannot be any owner occupancy. ADU's raise property value but the bills did not cover reassessment so these new properties will be revalued at the County level. This bill prohibits the imposition of size limitations if they do not permit at least an 800 square foot accessory dwelling unit that is at least 16 feet in height with 4-foot side and rear yard setbacks to be constructed. AB 68 still allows cities to require that the property be used for rentals longer than 30 days. These new regulations are effective January 1st.

AB 1483 essentially just requires posting of specific information on scheduled mitigation fees applicable to residential zoning developments.

AB 1487 will establish the Bay Area Housing Finance Authority (BAHFA), which is primarily made up of the Metropolitan Transportation Commission (MTC) and the Association of Bay Area Governments (ABAG). This authority sets forth the governing structure and allows the entity to generate and expend revenues. It is likely for them to put something on the regional ballot in November 2020. This measure requires at least four of the nine counties to be involved. This would allow the imposition of property and business taxes, but not sales tax. Once these financing tools are approved by the voters, the revenue generated will be split and 80% will return to each County of origin and 20% goes to the regional pool. Each county is responsible for developing their own

expenditure plan.

AB 1763 allows the city or county to award additional concessions and incentives to developers if 100% of the units in a development are restricted to low- and moderate-income households, where 80% has to be low-income and 20% could be moderate. This bill allows developers four concessions and an 80% density bonus.

SB 6 will create the public inventory of locally identified sites suitable for residential development along with state surplus lands.

SB 13 is another ADU bill and further details are included in the attached staff report.

SB 330 is currently being looked at by the City Attorney's Office. There have not been any lawsuits at this point, but many are looking at this bill to see what options are available to further oppose this and other bills. Vice Mayor Chao explains that one of the main concerns for this bill is that the application will be deemed complete if a preliminary application is submitted. TPA explains that a preliminary application submittal does not mean that the project is complete, the City is allowed to respond and ask for more information and go back and forth with the applicant until it is deemed complete. The timeline in this bill states that a full development application has to be completed within 180 days. If the City finds that the application is incomplete, the City has the burden to provide proof that it was incomplete, and the applicant has time to respond further.

Public comment:

Kitty Moore talks about the subdivision map act and the local legislative body approval that's required for it.

Rahul Vasanth asks about the intent of the burden of proof shifted onto the City. TPA explains that the burden of proof comes back onto the City when it determines an application is incomplete, which will start the 180 day timeline.

Vice Mayor Chao mentions that she is concerned that the burden of proof is on the City and not on the developer and believes that the language is open to interpretation.

SB 344 extends the Local Prepaid Mobile Collection Act to January 1, 2021. There is some debate about whether or not the sellers should be responsible for collecting the taxes. This is why this bill keeps being renewed but is not yet permanent.

Vetoed Bills:

AB 344 would have created a new grant program that would have provided up to \$50,000 grants annually for cities, counties, or continuums of care, to help for employment

programs for homeless individuals. The Governor's veto message indicated that this bill should be considered as part of the budget process due to its impact to the state's general fund. This may be a bill that comes back next year.

SB 5 was vetoed due to cost impacts to the state. The funding mechanism would have used a portion of property taxes that are set aside for the Education Revenue Augmentation Fund (ERAF) to provide local governments with funding for affordable housing. The veto message indicated that the fiscal impact to the state is significant and would need to be considered as part of the budget deliberation. The LRC feels that this bill would have really made an impact on affordable housing. It is very likely that Senator Beall will come back with a similar bill next year that will hopefully be tied into the budget as a trailer bill. The Governor is required to release his initial budget around the first week in January, which will then be revised during the second week of May, and then will be signed by June 30th.

SB 268 would have changed how specific information would appear on the ballot for a measure that imposes or increases a tax and/or authorizes bonds. This bill was vetoed since the Governor felt it would reduce transparency for local tax and bond measures. This bill may come back again next year.

SB 531 would have prohibited a local agency from entering into any agreement that results in a rebate of local tax revenues to a retailer in exchange for that retailer locating within that agency's jurisdiction. The Governor believed that taking away local control was the wrong approach for this issue.

Two-year bills:

A two-year bill broadly refers to any bill that was introduced last year that did not pass the legislature last year. There are two different types of two-year bills. One type are bills that failed to make it out of their house of origin (i.e. an Assembly bill did not make it out of the Assembly floor) and the second are bills that made it to the second house (i.e. an Assembly bill passed out of the Assembly and into the Senate floor). The bills that did not make it out of their house of origin are subject to an accelerated timeline and must make it out of their house by the end of January. If they fail to do so then the bill is dead, unless it is granted a rule waiver. Some bills may die and then get reintroduced as new bills, which is what TPA anticipates may happen with SB 50. Bills that have made it to the second house are subject to the normal timeline.

AB 67 would create a homeless database where the state would work with local governments to identify what services are being provided already. There was not much discussion about homelessness policies this year, but this bill did make it to the second

house, and it was held on the Senate Appropriations Suspense File.

AB 516 would have modified cities abilities to tow certain vehicles. This bill made it out of its house of origin and was held on the Senate Appropriations Suspense File. There are plans to amend this bill to make it narrower and even a potential district bill for San Francisco.

AB 1080/SB 54 are identical bills that aimed to reduce single-use packaging for producers, retailers, and wholesalers. Both of these bills made it out of their house of origin. AB 1080 made it to the Senate floor but was placed on the inactive file. SB 54 did not make it to the Assembly floor.

AB 1210 would have made it a felony or misdemeanor at the courts discretion for entering into a property near a place of residence with the intent to steal a package that has been delivered by a public or private carrier. This bill did not make it out of its house of origin and remained in the Assembly Public Safety Committee.

AB 1279 relates to housing development in high resource areas and has some similar elements of SB 50. This bill made it out of the Assembly but remained in the Senate Housing Committee. This bill may come back next year but until later in the legislative session since it made it out of its house of origin.

AB 1286 would have allowed limitations on scooters and e-bikes by requiring service providers to obtain permits from local jurisdictions. This bill made it out of its house of origin but remained in the Senate Judiciary Committee.

AB 1356 would have required a minimum number of local licenses for medical cannabis commercial activity in a local jurisdiction. This bill did not receive a lot of support and is not expected to come back next year. This bill did not make it out of the Assembly and was moved to the Inactive File.

SB 12 would have awarded grants to local governments to establish drop-in mental health centers for youth. This bill passed out of its house of origin but was held on the Assembly Appropriations Suspense File. This is most likely going to come back in August in order to include as part of the budget.

SB 50 is definitely going to come back next year since Senator Wiener is currently working on how to make the bill more palatable. It is more likely that he will introduce this as a brand new bill in February.

SB 592 had some last minute amendments but was held in the Assembly Committee on

Rules. Since this bill made it out of its house of origin, TPA anticipates that it will come back later on in the legislative session.

Public Comment:

Jennifer Griffin talks about her disappointment with Governor Newsom and his lack of action on the PG&E power shutoff. She is also displeased with the CASA Compact and those involved in it. She is also concerned about allowing multiple ADU's on one property and wants the City to continue to oppose SB 50.

Rahul Vasanth says that California Department of Housing and Community Development (HCD) refers to a guidebook that talks about the importance of the balance of jobs and housing within a city and wants to know where and if this guidebook exists.

Kitty Moore explains that she has asked HCD about the guidebook and they never adequately responded. She is also disappointed that the League did not take a position on AB 1485 because it modifies SB 35.

Lisa Warren asks if any of the signed ADU bills mention floor area ratios. TPA explains that the total floor area of the attached ADU shall not exceed 50% of the primary dwelling, if the unit is detached then it shall not exceed 1200 sq. ft. She is also concerned about the lack of additional parking requirements in the ADU bills.

3. Subject: Discussion of possible sponsored legislation for 2020
Recommended Action: Discuss and provide input on possible sponsored legislation for 2020

TPA explains that the LRC has come up with various ideas for potential legislation in previous meetings. TPA also plans to meet with City staff in the upcoming weeks to brainstorm ideas. If the City chooses to sponsor their own bill, that means that the City would be the lead supporter or proponent for that bill. This includes dictating what language is used, gathering support, dealing with opposition, and finding a legislator to carry the bill. There are many opportunities for the City to be involved with a bill without being the lead sponsor.

The Mayor would like to work with a legislator that was interested in affordable housing. TPA believes that it would make sense for there to be an affordable housing bill that is promoted by public agencies this year. The LRC would like a bill that compels property owners that have RHNA to actually build the allocated housing. TPA explains that it is possible to find a sponsor for this bill as long as the bill is legal. The first steps would be to talk to the City's local legislators Beall, Low, and Berman to see if they

would be interested in sponsoring a City bill and to get valuable feedback from them.

The Vice Mayor mentions that the City of West Hollywood created a development agreement so that if a property is sold before it is fully developed, the City should receive back the profit from the entitlement.

Public Comment:

Kitty Moore asks about EB 5 program changes and wonders if Cupertino is still considered a high unemployment area. She also mentions that the affordable housing requirements between RHNA and HCD are conflicting.

Rahul Vasanth talks about how an organization in Los Angeles allowed 5% extremely low income housing units instead of 50% BMR units for some developments in order to increase extremely low-income housing stock.

Jennifer Griffin is in support of the City sponsoring their own bills and sees this as an important step to taking back local control. She likes the idea of focusing on defining RHNA, jobs rich, and transit rich housing.

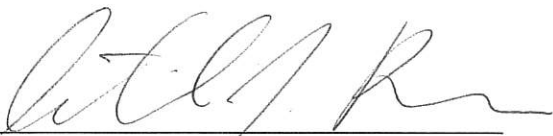
4. Subject: Discussion of future meetings and agenda topics_
Recommended Action: Recommend future meetings and agenda topics

The next meeting to discuss the proposed legislation is scheduled for November 19th at 10 a.m.

The following meeting to discuss the Legislative Platform is scheduled for December 5th at 9 a.m.

ADJOURNMENT

The meeting was adjourned at 7:46 p.m.



Astrid Robles, City Manager's Office