CITY OF
ROSEVILLE
CALIFORNIA

AGENDA
February 26, 2020

CITY COUNCIL
LAW & REGULATION COMMITTEE MEETING
4:00 p.m.
Council Chambers
311 Vernon Street
Roseville, California
www.roseville.ca.us

THE CITY OF ROSEVILLE WELCOMES YOUR PARTICIPATION

If an agenda item is open to public comment, such public comment shall be addressed to the chair of the meeting.

Public Comment - Speakers have three minutes under Public Comment to speak on issues that are not listed on the agenda and are within the City's jurisdiction. The Brown Act does not permit any action or discussion on items not listed on the agenda.

Consent Calendar - If applicable, the Consent Calendar consists of routine items that may be approved by one motion. Any person can remove an item from the Consent Calendar to be discussed separately.

Agenda Items - Speakers have five minutes to address items that are listed on the agenda.

Americans with Disabilities Act - Notify the City Clerk or Secretary at least 72 hours in advance if special assistance is required to participate in a meeting including the need of auxiliary aids or services.

Audio/Visual Presentations - If making a presentation regarding an agenda item, audio/visual materials must be submitted to the City Clerk or Secretary at least 72 hours in advance.

Roseville City Clerk 311 Vernon Street, Roseville, CA 916-774-5200 TDD 916-774-5220

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **PLEDGE OF ALLEGIANCE**
4. **PUBLIC COMMENTS**
5. **REPORTS/COMMENTS/COMMITTEE/STAFF**

5.1. Electric Department Priority Legislation - February 2020

Memo from Utility Government Relations Administrator Amber Blixt and Electric Utility Director Michelle Bertolino with an update on key energy-related legislation and other activities that staff has been monitoring.

File #: 0103-32-02

CONTACT: Amber Blixt 916-774-5693 aablixt@roseville.ca.us

5.2. Environmental Utilities Priority Legislation - February 2020

Memo from Utility Government Relations Administrator Noelle Mattock and Environmental Utilities Director Richard Plecker with an informational report on state and federal activities that staff have been engaged in and legislation that staff has identified as potentially having a significant impact on City utility customers and the Environmental Utilities Department.

File #: 0103-32-02

CONTACT: Noelle Mattock 916-774-5504 ncmattock@roseville.ca.us

5.3. Priority Legislation – February 2020

Memo from Government Relations Administrator Mark Wolinski and Deputy City Manager Megan MacPherson with an overview of key issues and a limited number of bills that have been introduced that are of particular interest to the City.

File #: 0103-32-02

CONTACT: Mark Wolinski 916-774-5179 mwolinski@roseville.ca.us

6. ADJOURNMENT

CITY OF ROSEVILLE CALIFORNIA

CITY COUNCIL
Law & Regulation Committee

File #: 0103-32-02

Title:	Electric Department Priority Legislation - February 2020
Contact:	Amber Blixt 916-774-5693 aablixt@roseville.ca.us

Meeting Date: 2/26/2020
Item #: 5.1.

RECOMMENDATION TO COUNCIL

Discuss and provide input on any state or federal legislation presented to the committee.

BACKGROUND

Staff has been reviewing newly introduced energy-related legislation as well as key legislation carried over from 2019. We are analyzing the legislation to determine potential impacts to the Electric Utility (REU) Department. Below is a list of key bills and related issues that staff has been monitoring:

General Activities:

Wildfire Safety Advisory Board (WSAB) Convenes Inaugural Meeting January 21, 2020 (Watch) Last summer the Governor signed AB 111 and AB 1054, which together created the framework for the new Wildfire Safety Advisory Board (WSAB). The WSAB will play an advisory role over Publicly Owned Utility's Wildfire Mitigation Plans. The WSAB consists of seven members total, five appointed by the Governor, one appointed by the Speaker and one appointed by the Senate Rules Committee. The board was appointed over the legislative interim and convened its first meeting January 21, 2020, focusing primarily on organizational issues.

Publicly Owned Utilities are required to submit their wildfire mitigation plans to the WSAB by July 1, 2020 and annually thereafter. The Board will also provide feedback on the plans of the Investor Owned Utilities and is staffed through the California Public Utilities Commission Wildfire Safety Division. Accordingly, it is important for POUs to distinguish themselves as a unique and separate entity as part of this process. The POU community is interested in what the process will be for submitting our plans to the board and has requested clarity on that process. *The City will continue to monitor future meetings of the Wildfire Safety Advisory Board to identify where and how publicly owned utilities will submit their Wildfire Mitigation Plans later this year.*

Roseville Supports SMUD's Revised Application to Administer a Community Shared Solar Program. In comments submitted through the California Energy Commission's stakeholder process, Roseville Electric Utility supported the Sacramento Municipal Utility District's

(SMUD) Revised Application to administer a community shared solar program. The 2019 Building Energy Efficiency Requirements allow for an alternative compliance approach to the rooftop solar requirement for new homes, which essentially allows a utility-scale renewable energy project to be used as an alternative to the rooftop mandate, in certain circumstances, so long as the program administrator has demonstrated to the California Energy Commission that certain requirements are met. This alternative allows participation in larger community projects versus supplying rooftop solar on every home, which provides economies of scale to reduce costs and leads to more clean energy benefits in the long run. *Roseville Electric Utility supports policies that maintain the ability to comply with regulations flexibly, in the way that best reflects community priorities. Accordingly, Roseville Electric Utility supported SMUD's proposal, as this approach may be something that the City could employ in the future.*

State Legislation:

SB 378 (Wiener) Electrical Corporations: Deenergization Events (Watch) This bill establishes a procedure for customers, local governments and others affected by a deenergization event to recover costs accrued during a deenergization event from an electrical corporation. Costs may include assets, revenue, lost wages, and lodging, among others. Rules from the California Public Utilities Commission (CPUC) will determine whether expenses paid can be recovered from ratepayers. In addition, this bill implements a penalty for the electrical corporation of $250,000 for every hour a deenergization event is in place, multiplied by the sum of full sets of 50,000 customers affected, plus one for any remainder, if the CPUC determines that the electrical corporation failed to act in an reasonable and prudent manner in implementation of the deenergization event. These penalties are to be borne by shareholders. *The City is watching this bill as SB 378 creates a new precedent for fining electrical corporations when an imprudent deenergization event occurs. This bill currently has no impact on publicly owned utilities.*

SB 801 (Glazer) Wildfire Mitigation Plans: Deenergization: Public Safety Protocol (Watch) This bill requires that deenergization protocols, as part of an electrical corporations wildfire mitigation plan, deploy backup electrical resources or provide financial assistance for backup electrical resources to a customer receiving a medical baseline allowance that relies on electric life support equipment to sustain life, that demonstrates financial need, and that is not eligible for backup resources through medical services, insurance or community resources. *The City is watching this bill to see what, if any, additional back-up generation protocols may emerge in relation to deenergization events. This bill currently has no impact on publicly owned utilities.*

SB 917 (Wiener) California Consumer Energy and Conservation Financing Authority: Eminent Domain (Watch) Authorizes the California Consumer Energy and Conservation Financing Authority to acquire, by eminent domain, the assets or ownership of an electrical corporation, gas corporation, or public utility that is both an electrical and gas corporation, including any franchise rights, if that corporation has been convicted of felony criminal violations of laws enacted to protect the public safety within 10 years of the date the eminent domain action is commenced. The bill authorizes a local publicly owned energy utility to join in the eminent domain action brought by the authority to acquire that portion of the electrical or gas system necessary to provide service within its borders, following the acquisition by the authority, provided the local publicly owned energy utility contributes its proportionate share of the compensation paid for the assets or ownership of the utility. The Authority may then enter into an agreement for the transfer of assets to the Northern California Energy Utility District, or to a local publicly owned energy utility as specified. *The City is watching this bill to see if it gains any momentum in the legislature. This bill will certainly have an uphill battle as it is an attempt to transform Pacific Gas & Electric (PG&E) into a publicly owned utility or utilities.*

SB 953 (Wiener) Customer Sited Renewable Energy or Energy Storage Systems: Discriminatory Fees or Charges (Watch) This bill requires the CPUC or the governing board of a local publicly owned utility to ensure that those with customer-sited renewable energy or energy storage systems are not subject to discriminatory fees. This does not limit the ability of a POU to alter the valuation of energy exported to the distribution grid from customer-sited renewable energy systems or to assign one-time fees based on the costs of connecting the renewable energy storage system to the distribution grid. *Currently, this legislation does not contain language that the City would oppose; however, the City was opposed to similar legislation last year. Accordingly, the City is monitoring this bill to determine whether additional problematic language will be added; and, to determine how "discriminatory fees" will be defined.*

AB 1839 (Bonta) Climate Change: California Green New Deal (Watch) This legislation speaks to implementing a commitment, through policies and goals, to reduce severe climate change impacts. A key tenet of this proposal is to have access to clean, affordable, carbon-free and reliable utilities, including energy. Accordingly, this bill establishes the California Green New Deal Council which will have seven appointees from various different agencies, appointed by the Governor. *While this bill lacks specific details for reducing the impacts of climate change at this point in time, the City is watching this bill as a potential catalyst for future discussions regarding accelerating the renewable portfolio standard targets, increasing GHG emission reductions timelines, and/or modifying other energy sector goals. The City will continue to watch this bill as it unfolds over the course of this year.*

AB 2079 (Kiley) Political Reform Act of 1974: Contribution Prohibitions (Watch) This bill prevents an investor-owned utility from making a contribution to a candidate for elective state office and also prohibits a candidate for elective state office from accepting a contribution from an investor owned utility. This bill requires a two-thirds vote. *This bill is in response to political donations that have been given to legislators from the Investor Owned Utilities, particularly PG&E. The City will continue to monitor this bill as it moves through the legislative process.*

Conclusion
Staff will continue to actively advocate on key legislation this year with its coalition partners. Staff will continue to keep the committee apprised of these important legislative proposals and request any direction as needed.

FISCAL IMPACT

The costs of these activities are contained within the City's current budget.

ECONOMIC DEVELOPMENT / JOBS CREATED

The activities detailed in this report will not result in job development or creation.

ENVIRONMENTAL REVIEW

The California Environmental Quality Act (CEQA) does not apply to activities that will not result in a direct or reasonably foreseeable indirect physical change in the environment, or is otherwise not considered a project as defined by CEQA Statute §21065 and CEQA State Guidelines §15060(c)(3) and §15378.

The action of reviewing legislation meets the above criteria and is not subject to CEQA. No additional environmental review is required.

Respectfully Submitted,

Amber Blixt, Utility Government Relations Administrator

Michelle Bertolino, Electric Utility Director

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Dominick Casey, City Manager

CITY COUNCIL
Law & Regulation Committee

File #: 0103-32-02

Title:	Environmental Utilities Priority Legislation - February 2020
Contact:	Noelle Mattock 916-774-5504 ncmattock@roseville.ca.us

Meeting Date: 2/26/2020
Item #: 5.2.

RECOMMENDATION TO COUNCIL

This staff report provides information to the Law and Regulation Committee on key legislative and regulatory activities that staff has identified as potentially having a significant impact on our customers and the Environmental Utilities Department (EU).

BACKGROUND

The legislature convened the 2020 session on January 6 and has been working feverishly to act on the bills that were introduced in 2019. The deadline for the measures introduced last year to pass out of their house of origin was January 31. The legislature is also busy introducing new bills and the last day for introduction is February 21. We will have a better understanding of what the legislative year will look like at the March Law and Regulation Committee. So far, approximately 400 bills have been introduced. The Environmental Utilities Government Relations Team is currently reviewing the bills as they are introduced to identify bills Environmental Utilities want to watch and engage on. The most significant was the release of the Governor Newsom's $222.2 billion Budget.

Water Issues

State

Governor's Actions

Water Resiliency Portfolio – On April 29, 2019, Governor Newsom signed Executive Order N-10-19, which called for a portfolio of actions to ensure the state's long-term water resilience and ecosystem health. In January, Governor Newsom's administration released a draft "Water Resilience Portfolio**.**" The Portfolio contains more than 100 separate actions intended to improve the state's ability to deal with a future where it is anticipated the climate be warmer and more variable, there will be more extreme droughts, floods and wildfires, water supplies will be limited, and population will continue to increase.

Staff Comment: Staff is working with our regional partners and state associations to provide comments on the draft portfolio. Comments were due on February 7, 2020.

Water Bond – As part of Governor Newsom's budget, he proposed a $4.75 billion Climate

Resilience Bond that aligns with the newly released Water Resilience Portfolio. Both the Senate and Assembly have their own versions that were introduced last year. Currently, negotiations are taking place surrounding what will end up in the final bond proposal and how much the bond will end up being. It is anticipated that the bond will be around $7 billion. As proposed, there are several areas of the bond that align with Roseville's and the region's efforts to develop a regional water bank. Roseville's groundwater program is a key component and could potentially benefit from the proposed bond.

Staff Comment: Currently, staff is participating in workgroups at both of our state associations, Association of California Water Agencies (ACWA) and California Municipal Utilities Association (CMUA), along with the Regional Water Authority (RWA). Staff's advocacy efforts will be concentrated over the next couple of months to ensure the elements that align with our efforts to build a resilient water future for Roseville and the region are a part of a bond. If a bond makes it onto the ballot staff will likely be asking the City Council to take a formal position.

<u>Other Activities</u>

California Municipal Utilities Association Capitol Day – On January 27, Roseville participated in CMUA's Capitol Day where representatives from Roseville heard from legislators and key capitol staff. As part of Capitol Day, Roseville City Council Members and staff met with Senator Nielsen and Assemblyman Kiley's Chief of Staff. We briefed their offices on the regulatory issues Roseville is engaging in and on the expansion of our aquifer storage and recovery program and how that fits into a future regional water bank.

Federal

<u>Legislation</u>

The FUTURE Drought Resiliency Act – In early January, Representative Huffman introduced a discussion draft called Future Drought Resiliency Act of 2020. The FUTURE Drought Resiliency Act is intended to develop a more resilient water infrastructure, expand the use of modern water management tools and technologies, and meet the challenge of planning for drought and climate change, and invest in watershed health to benefit fish, wildlife, and downstream communities.

Staff Comment: Staff has reviewed this proposal and found several sections that could be beneficial for Roseville should it get enacted. Staff is currently coordinating with the City's federal lobbyists to provide feedback on this discussion draft.

<u>Other Activities</u>

Mid-Pacific Water Users Conference – Recently the Environmental Utilities Director, Assistant Director of Water and Government Relations staff attended the Mid-Pacific Water Users Conference. At the conference attendees heard from Commissioner Brenda Burman from the Bureau of Reclamation and a number of her key staff who are critical partners of Roseville and the American River Basin Contractors.

Staff Comment: One of the major outcomes of the conference was a meeting the region had with Ernest Conant, Regional Director of the Bureau of Reclamation and his team. The region presented the results of the American River Basin Study, which was developed in partnership with the Bureau of Reclamation as part of the WaterSmart Program, the Regional Water Authority, the cities of Roseville, Sacramento and Folsom, the Placer County Water Agency, and the El Dorado County Water Agency about how the Sacramento Regional Water Bank can *be a key element of how Roseville can help the Bureau and the region coordinate operations of Folsom Reservoir to meet the needs of the environment and our growing population. Attached are the briefing papers for both the American River Basin Study and Sacramento Regional Water Bank. The results of the study indicate a temperature increase of five to six degrees by 2070 resulting in a shift of precipitation falling as rain rather than snow. The study also indicates that snowmelt will occur earlier in the season leading to increased flood risk in the winter prompting more flood releases from Folsom Reservoir and reducing the water available in Folsom Lake for use during the summer and fall.*

Sacramento Metro Chamber Capitol to Capitol Annual Trip Preparation – The 50th annual Cap to Cap trip is coming up at the end of April. Roseville has taken on a leadership role for the Water Resources Team. Staff is coordinating the development of the materials that will be used during the meetings with the region's congressional delegation. As well, Roseville's federal lobbyists will be scheduling the meetings for the Water Resources Team, and the Environmental Utilities Department will be hosting two coordination meetings for the Water Resource Team members, currently 17 strong and growing.

Waste Services Issues (Solid Waste)

State

<u>*Legislation*</u>

SB 205 (Hertzberg) Business Licenses: Stormwater Permits – This measure was signed into law in October 2019 and requires local government agencies to ensure that any business regulated by the State Water Resource Control Board (SWRCB) is in compliance with the NPDES permit program as part of the business license and tax process, for both applications and renewals.

Staff Comment: Since the bill's passage, City staff has been working with our consultants to update the City's online business licensing processes to assure Roseville was fully compliant by the January 1, 2020 implementation date. Staff and the consultants will continue to coordinate and ensure the city is complying with this new law as it gets interpreted during its initial implementation by the SWRCB. Additionally, Environmental Utilities (EU) staff has been working closely with the Finance and Permitting Offices in order to reduce confusion for business owners facing this new reporting requirement for the first time and has also provided training internally for EU administrative staff who are the first contact for business owners needing additional assistance.

<u>*Regulations*</u>

Update on SB 1383 (Lara, 2016) Implementation – Cal Recycle has submitted the regulatory package to implement SB 1383 to the Office of Administrative Law (OAL) on Tuesday, January 21st. The OAL has 30 days to approve it and then it will be adopted shortly thereafter.

Staff Comment: Staff is engaged on this regulation because it affects both the Waste Services (Solid Waste) and Wastewater Divisions. SB 1383 established methane emissions reduction targets in a statewide effort to reduce emissions of short-lived climate pollutants (SLCP) from various sectors. One of the major provisions affecting Roseville are the new targets to reduce the disposal of organic waste by 50 percent from the 2014 level by 2020 and a 75 percent reduction by 2025. Roseville has embarked on an innovative program that will produce Renewable Compressed Natural Gas (R-CNG) from the wastewater treatment process and will be used to fuel the solid waste truck fleet.

Update on the Advanced Clean Truck (ACT) Rule – The California Air Resources Board (Air Board) held a workshop on December 12, 2019. At that workshop they took three hours of comments by industries affected by the proposed regulation. At the conclusion of the meeting, the board members were not prepared to move forward with staff's recommendation. One of the major issues was the overly burdensome reporting requirements.

Staff Comment: Staff has been participating in a workgroup at CMUA to ensure Roseville's concerns are articulated to the Air Board. Environmental Utilities brought on additional resources to help better align the SB 1383 and ACT proposed regulations that are currently in conflict with one another as they seek to stem the tide of climate change.

Wastewater Issues

State

Regulations

Environmental Lab Accreditation Program (ELAP) – The proposed regulation was presented to the State Water Resources Control Board (SWRCB) on December 18. ELAP staff are currently reviewing comments and have reached out to a few select commenters, including the City of Roseville. We are presently planning an in-person meeting with ELAP staff to discuss our comments on the proposed regulation. ELAP staff plan to present the regulation to the SWRCB for adoption in March 2020.

Other Activities

California Association of Sanitation Agency (CASA) Winter Conference – The winter program brings experts on topics in legislative and regulatory, ligation, innovative technologies and more.

South Placer Regional Water Authority (SPWA) Board Meeting – The SPWA Board met in January and was updated on the Pleasant Grove Wastewater Treatment Plant Expansion Project. Options for Authority bond debt financing were also presented and will be considered at a future meeting.

Federal

Legislation

H.R. 1764 (John Garamendi) Extending NPDES Permit Terms (Support)

H.R. 1764 amends the Federal Water Pollution Control Act with respect to permitting terms. This bill authorizes the U.S. Environmental Protection Agency (USEPA), or a delegated state such as California, to issue a municipal clean water agency a National Pollutant Discharge Elimination System (NPDES) permits for a fixed period, not to exceed 10 years.

Staff Comment: The City of Roseville submitted a letter of support for this bill as it is grounded in the value of aligning a permit term to construction schedules that preserve the Clean Water Act's underlying monitoring, enforcement and compliance mandates. This change from the current fixed period of not more than five years would support enhanced planning and efficient permitting of local water quality programs, and give the City the time needed to design, plan, and construct necessary treatment facilities to comply with existing regulatory requirements before the imposition of new mandates. Environmental NGO opposition is based simply upon a notion that permitting authorities are incapable of determining whether a permittee should be provided a term for a period longer than the current five years. Both the California Association of Sanitation Agencies (CASA) and the National Association of Clean Water Agencies

(NACWA) are also in support of this bill, which passed the House Committee on Transportation and Infrastructure as part of the "Water Quality Protection and Job Creation Act of 2019" (H.R.1497).

$760 Billion House Framework to Fund Infrastructure Investments

House Democrats have put forward a framework to invest $760 billion over five years in the nation's roads, bridges, transit systems, railways, airports, ports, inland waterways, wastewater and drinking water systems, brownfields, and broadband. This framework is an opportunity to get existing infrastructure working again and fund new transformative projects that will create an estimated 10 million jobs, while reducing carbon pollution, dramatically improving safety, and spurring economic activity.

Staff comment: In late January, House Democrats unveiled a $760 billion framework to fund infrastructure investments over five years with $50.5 billion dedicated to wastewater infrastructure. In 2015 a five-year transportation package was signed into law which is set to expire in September. This framework is currently in the House Ways and Means Committee where a hearing will take place on how to pay for infrastructure investments.

Water Infrastructure Finance and Innovation Act (WIFIA) Update

The Water Infrastructure Finance and Innovation Act of 2014 (WIFIA) established the WIFIA program, a federal credit program administered by the U.S. Environmental Protection Agency (USEPA) for eligible water and wastewater infrastructure projects. WIFIA and the WIFIA implementation rules outline the eligibility and other requirements for prospective borrowers. Eligible entities for a WIFIA loan include local, state, tribal, and federal government entities, partnerships and joint ventures, corporations and trusts and Clean Water and Drinking Water State Revolving Fund (SRF) programs.

Staff Comment: We are in progress to reach the application target of July 1, 2020. USEPA has assigned a designated underwriter who we are working closely with through monthly meetings. Up to 80% of the project can be funded using Federal funds so we are exploring other options to potentially reach that threshold.

Recycled Water Component: The FUTURE Drought Resiliency (Jared Huffman)

To develop more resilient water infrastructure, expand the use of modern water management tools and technologies, and assist disadvantaged areas in meeting their drinking water needs. This forward-looking legislation will help homeowners make their homes more water-efficient, meet the challenge of planning for drought and climate change, and invest in watershed health to benefit fish, wildlife, and downstream communities.

Staff comment: The recycled water component of this bill is being analyzed as funding through Title 16 is a potential option to match WIFIA federal funding.

H.R. 2500 (Adam Smith) National Defense Authorization Act for Fiscal Year 2020 (Oppose)

H.R. 2500 authorizes appropriations for Federal Fiscal Year 2020 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes.
Staff Comments: The House has been debating the National Defense Authorization Act that authorizes federal defense program spending. This bill is opposed by the City of Roseville because the House version of this bill contains two adopted amendments that hold direct

importance and relevance. The first amendment involves a mandate for the United States Environmental Protection Agency (USEPA) to develop effluent limits for industrial dischargers to help prevent the introduction of chemicals into a clean water agency's facilities. The second amendment addresses the definition of per and polyfluoroalkyl substances (PFAS) and states that these chemicals would, within one year of enactment, be considered a hazardous waste under the Superfund law. The consequence of such a designation is important because it would trigger new management requirements for the handling and disposal of PFAS, including the use of hazardous waste management facilities. PFAS are a group of man-made chemicals that were used in the 1950s and 60s and found in industrial processes such as fire retardants and consumer products like Teflon. While these chemicals are not detected in the City of Roseville's water, these chemicals are of growing concern and should be closely watched as the USEPA is developing a regulation. Mayor Allard has signed opposition letters which have been sent to the offices of Congressman McClintock, Senator Harris and Senator Feinstein.

Other Activities

Water Reuse Webinar with the United States Environmental Protection Agency

The City of Roseville, as part of the Water Reuse Committee through the American Water Works Association (AWWA), was asked to moderate and plan a webinar with the United States Environmental Protection Agency's (USEPA) Office of Water. The webinar revolved around water reuse regulations and bridging the gap between the Safe Drinking Water and Clean Water Act. Speakers from the Office of Wastewater Management, Office of Ground Water and Drinking Water and Office of Research and Development were present.

International Symposium on Potable Reuse (ISPR)

With over 500 attendees, the International Symposium on Potable Reuse (ISPR) provides an excellent opportunity to address key questions, find solutions and exchange ideas on the advancement of potable reuse. City of Roseville Staff were invited to moderate a session on microbial risk evaluation and reduction in potable reuse. The City of Roseville has also been asked to give a presentation at the opening general session on young professional activities and succession planning.

FISCAL IMPACT

The costs of these activities are contained within the City's current budget.

ECONOMIC DEVELOPMENT / JOBS CREATED

The activities detained in this report will not result in job development or creation.

ENVIRONMENTAL REVIEW

The California Environmental Quality Act (CEQA) does not apply to activities that will not result in a direct or reasonably foreseeable indirect physical change in the environment (CEQA Guidelines §l 5061 (b) (3). Stating policy priorities does not include the potential for a significant environmental effect, and therefore is not subject to CEQA.

Respectfully Submitted,

Noelle Mattock, Utility Government Relations Supervisor

Richard D. Plecker, Environmental Utilities Director

Dominick Casey, City Manager

ATTACHMENTS:

Description

American River Basin Study

Sacramento Regional Water Bank

Projecting Climate Change Impacts on our Watershed

The American River Basin Study is a comprehensive watershed-level look at projected climate change impacts on the Sacramento region. One of the most sophisticated evaluations of climate change impacts on water supplies in California to date, the study uses the best available science and latest modeling tools to forecast potential impacts on water supply, water quality and critical habitat within the American River Basin.

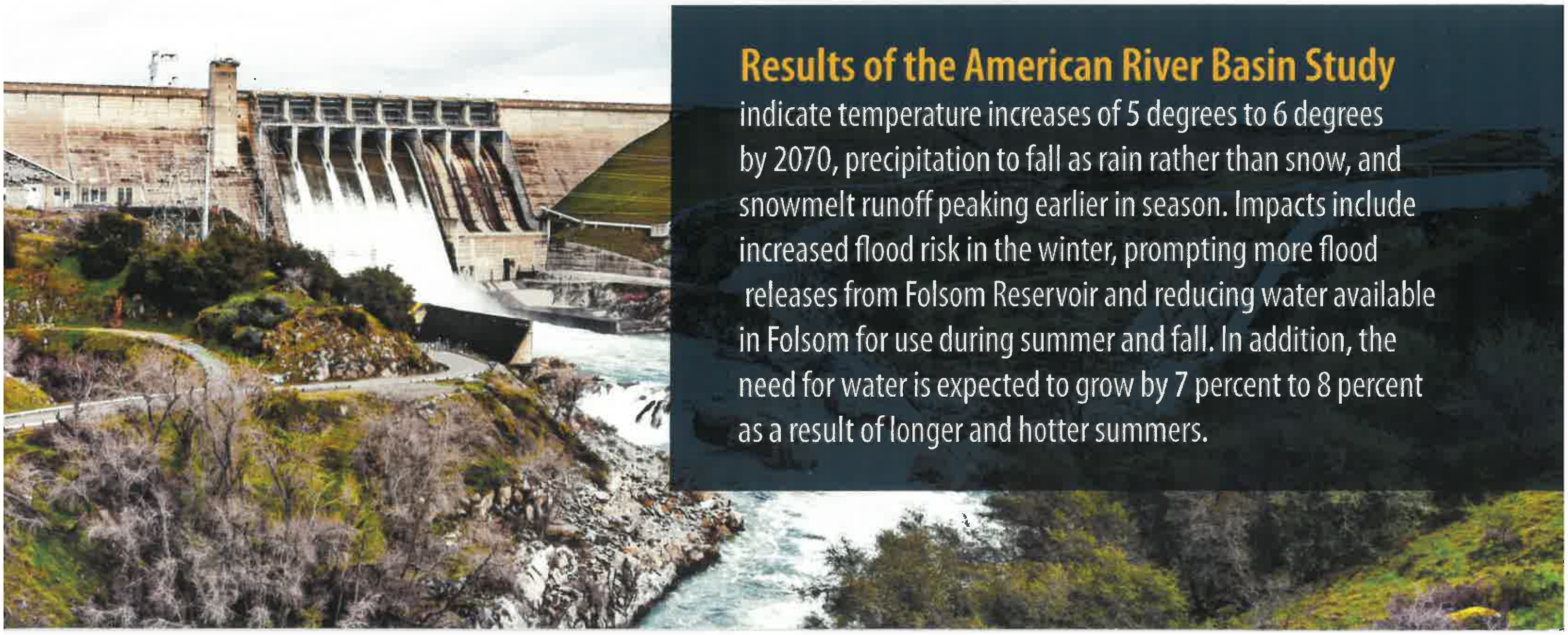
Developed in partnership with the U.S. Bureau of Reclamation as part of its WaterSMART Program, the Regional Water Authority and several local water providers, the study's ultimate goal is to define water management strategies to enhance the Sacramento region's water supply reliability while improving Reclamation's flexibility in operating Folsom Reservoir to meet flow and water quality standards and protect endangered fishery species in the lower American River.

The impacts of climate change are predicted to year 2100 using results normalized from 64 global climate model simulations consistently used by Reclamation's Technical Service Center in Denver, Colorado.

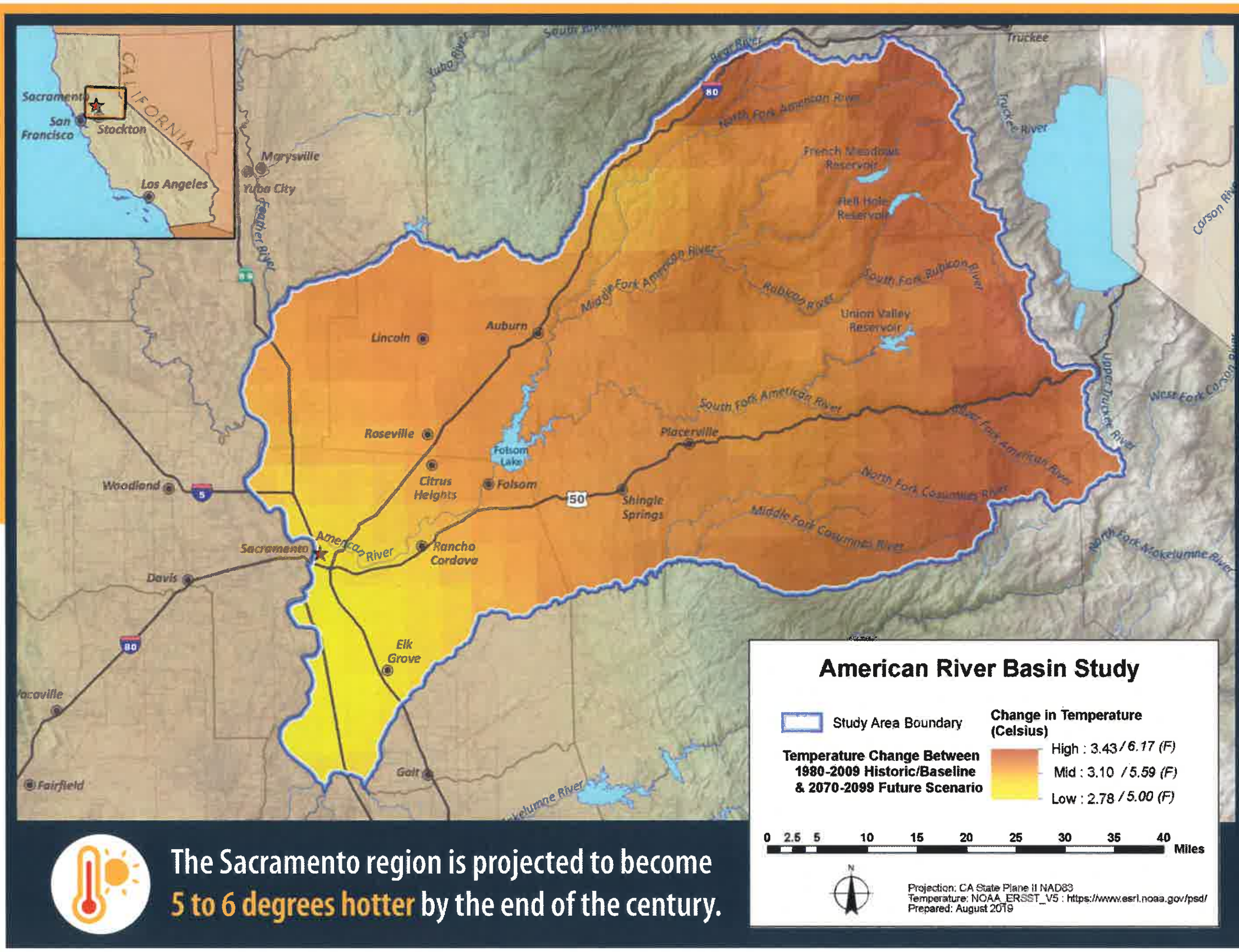
For the American River Basin, **results of simulations were refined using statistical methods developed at Scripps Institution of Oceanography** and made publically available. This methodology spatially refines results from 8,000 square miles to 14 square miles, enhancing results to account for differences in weather process based on geography and elevation.

The American River Basin Study also refined **long-range modeling** tools to include greater detail in the basin, including models for analyzing effects on river flows, storage in reservoirs and groundwater basins, and river temperature effects on ecosystems.

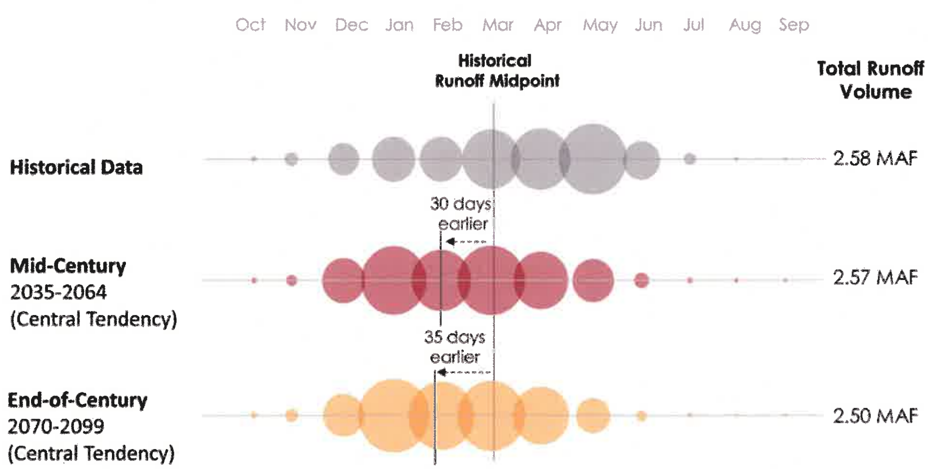
The American River Basin Study has identified **seven project portfolios as possible adaptation strategies.** These will be evaluated and pursued by regional water managers in the years to come to maintain our environment, economy, and quality of life.



Results of the American River Basin Study indicate temperature increases of 5 degrees to 6 degrees by 2070, precipitation to fall as rain rather than snow, and snowmelt runoff peaking earlier in season. Impacts include increased flood risk in the winter, prompting more flood releases from Folsom Reservoir and reducing water available in Folsom for use during summer and fall. In addition, the need for water is expected to grow by 7 percent to 8 percent as a result of longer and hotter summers.



Changes in Timing of Inflow to Folsom



MAF = million acre-feet

Inflow to Folsom could occur **30 to 40 days earlier** on average.

Runoff from snowmelt is expected to peak earlier in the season, prompting more flood releases from Folsom Reservoir and reducing water available in Folsom for use during summer and fall.

The American River Basin Study is made possible by:

BUREAU OF RECLAMATION · PCWA · City of SACRAMENTO Department of Utilities · EL DORADO COUNTY WATER AGENCY · CITY OF FOLSOM DISTINCTIVE BY NATURE · RWA Regional Water Authority BUILDING ALLIANCES IN NORTHERN CALIFORNIA · CITY OF ROSEVILLE CALIFORNIA

More information about the study is available at www.pcwa.net/planning/arbs

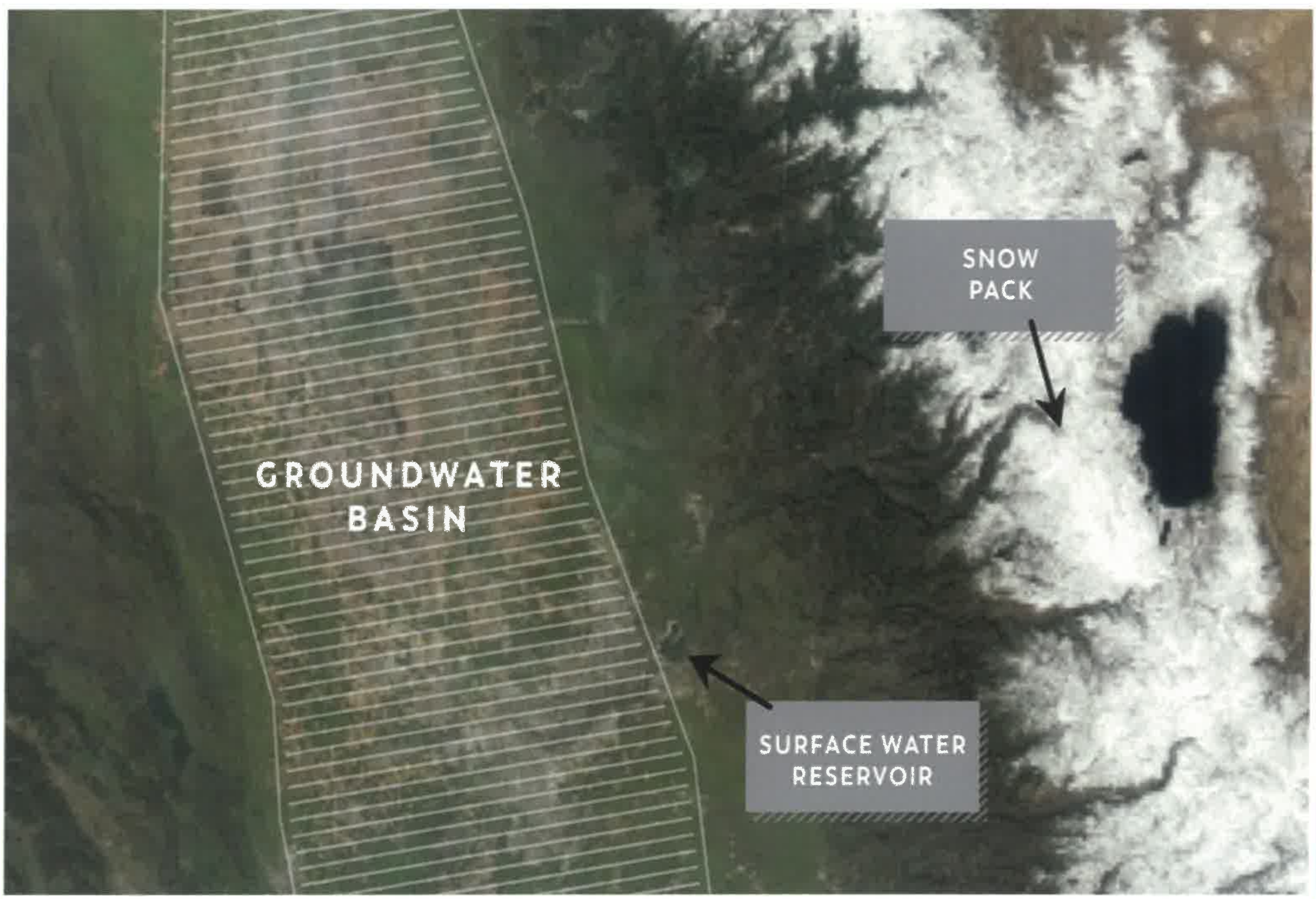
A Reservoir Under Our Feet

The Sacramento Regional Water Bank (Water Bank) is a key adaptation measure for managing the uncertainties of future climate conditions in the American River Basin.

Currently, the region's water resources are managed through a **"three reservoir system"**-- Folsom Reservoir, groundwater, and a large slow-melting snowpack. The snowpack serves as a slow-release surface water reservoir, helping to maintain our environment and reduce flood risks.

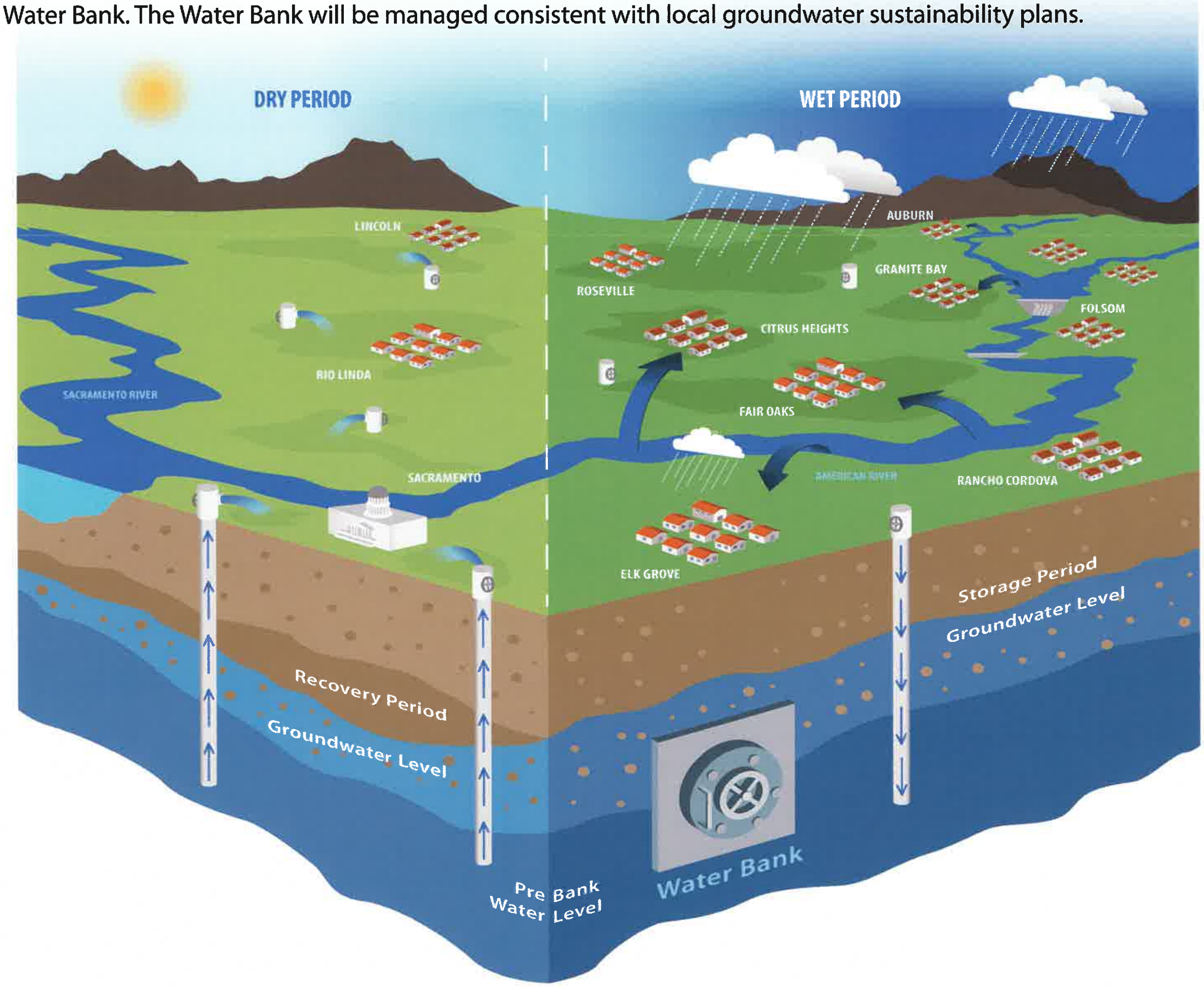
In a future with climate change, temperatures are projected to increase 5 to 6 degrees by 2070, precipitation will fall as rain rather than snow, and snowmelt runoff will peak earlier in season. This will have significant impacts on Folsom Reservoir and the region's water resources. (**More information on specific changes is available in the American River Basin Study fact sheet.**)

The Water Bank *will provide more opportunities to capture and store excess water when it's available. This will be critical in the future as wet years are projected to decrease from two in every three years to only one in every three years.*



How the Water Bank Works

The Water Bank will operate by coordinating the use of surface water and groundwater. When surface water supplies are plentiful, water providers in the region will draw more water from Folsom Lake or local rivers and use it to offset existing demand for groundwater. This effectively increases groundwater in ***storage***, resulting in a deposit in the Water Bank. During dry years, ***recovery*** of stored groundwater will occur through additional pumping, resulting in a withdrawal from the Water Bank. The Water Bank will be managed consistent with local groundwater sustainability plans.



Storage and Recovery Potential

The groundwater basin of the American River Basin acts as an ***underground reservoir with available space to store an estimated 1.8 million acre-feet of water, which is almost twice the volume of Folsom Lake.*** During a wet year, local water providers could store up to about 60,000 acre-feet of water in the Water Bank using existing facilities. During a dry year, much of that stored groundwater could be recovered. Potential facility improvements over the next decade could increase the region's storage and recovery capacities by more than 50 percent. As an additional benefit, facility improvements can be accomplished stepwise based on available funding.

Operation of the Water Bank will help relieve flood control pressure on Folsom Reservoir, preserve cold water for the benefit of the environment, and increase supplies available for the environment and downstream communities beyond the region during dry conditions.

RWA
Regional Water Authority
BUILDING ALLIANCES IN NORTHERN CALIFORNIA

5620 Birdcage St., Suite 180 | Citrus Heights, CA 95610 | (916) 967-7692

For more information on the Sacramento Regional Water Bank visit: ***rwah2o.org***

CITY COUNCIL
Law & Regulation Committee

File #: 0103-32-02

Title:	Priority Legislation – February 2020
Contact:	Mark Wolinski 916-774-5179 mwolinski@roseville.ca.us

Meeting Date: 2/26/2020
Item #: 5.3.

RECOMMENDATION TO COUNCIL

Staff requests comments and input on the bills and or issues that are of particular importance to the committee.

BACKGROUND

The Legislature was active from the beginning of the session as legislators worked to address bills that did not pass out of their house of origin. January 31 was the last day for each house to pass bills introduced in a particular house in 2019. Legislators have until Friday, February 21 to introduce new bills for this the second year of the two-year session. The legislature will also begin the budget hearing process in the coming weeks including conducting budget subcommittee hearings on specific budget proposals.

Staff continues to focus on identifying bills that would impact local control, would have implications to both land use and housing, and that would require the City to provide a service or benefit without appropriate and full funding. Unfunded mandates negatively impact City revenues including the General Fund, enterprise funds, and sales or property taxes.

The following bills, and overview of recent meetings, represent several of the critical issues that are of specific concern to the City:

Housing

• **SB 50 (Weiner) – Housing (Opposed)** – This two-year bill failed to pass out of the Senate and has become a failed bill. The bill would have authorized a development proponent of a neighborhood multifamily project or eligible transit-oriented development (TOD) project located on an eligible parcel to submit an application for a streamlined, ministerial approval process that is not subject to a conditional-use permit.

Staff Comment: SB 50 would have circumvented local land-use authority pertaining to mid-rise apartments around public transit. Staff had been very engaged on the bill and had provided comments and suggested amendment language on sections of the bill that were troubling. It is anticipated that with the failure of this bill the author will introduce new legislation attempting to *accomplish what was outlined in SB 50. Staff will provide a more comprehensive review of bills introduced by the author at the March L&R Committee meeting.*

• **SB 795 (Beall) - Local-State Sustainable Investment Incentive Program (Watch)** - This bill would establish in state government the Affordable Housing and Community Development Investment Program, which would be administered by the Affordable Housing and Community Development Investment Committee. The bill would authorize a city, county, city and county, joint powers agency, enhanced infrastructure financing district, affordable housing authority, community revitalization and investment authority, transit village development district, or a combination of those entities, to apply to the Affordable Housing and Community Development Investment Committee to participate in the program and would authorize the committee to approve or deny plans for projects meeting specific criteria.

Staff Comments: Last year, the governor vetoed the author's SB 5 which attempted to accomplish many of the same objectives contained in SB 795. The City is watching this bill and strongly considering a support position based on the potential new resources, tools and programs that may become available to local governments for the purposes of building affordable housing, constructing infrastructure programs, and building transit-oriented housing development projects. This bill could provide opportunities to introduce a redevelopment type program for the first time since redevelopment was eliminated in the state nearly 10 years ago.

<u>Little Hoover Commission</u>

The Little Hoover Commission held a public hearing on "Factors Driving California Housing Costs" on January 23 at the State Capitol, which staff attended. The purpose of the meeting was to review the underlying causes of California's high cost of housing, attempt to determine the driving factors behind rising costs and to identify whether those factors are market-driven, influenced by state policy, influenced by local policy, or by some other cause.

The Commission is undertaking this study based on the understanding that housing has long been more expensive in California than the rest of the country, but beginning in the 1980s, the discrepancy between the state and the nation became much larger. Today the median cost of a single-family home in California is approximately two-and-a-half times the national median, a difference only partially offset by California's higher earnings. The result is that California has one of the nation's lowest home ownership rates. Additionally, Californians spend a disproportionate share of their income on housing, and the share of crowded housing units has increased. Citizens consistently cite housing costs as one of the key issues facing the state.

The public hearing included testimony on research and to provide perspectives from stakeholders. Those testifying included the following individuals:

What the Research Shows
1. Stuart Gabriel, Professor of Finance and Arden Realty Chair, and Director, UCLA Ziman Center for Real Estate, UCLA Anderson School of Management
2. David Garcia, Policy Director, Terner Center for Housing Innovation, University of California, Berkeley

Stakeholder Views
3. Dan Dunmoyer, President and CEO, California Building Industry Association
4. Sean McGlynn, City Manager, City of Santa Rosa

5. Christopher A. Lee, Legislative Representative for Housing, Land Use and Transportation, California State Association of Counties

The testimony and discussion during the public hearing was far-ranging and touched on many issues. The participants highlighted what they believed are primary elements driving the high cost of housing in the state. Those elements included the cost of land, the variances in the labor market and available capital to build housing. The Chair of the Commission and Professor Gabriel, also cited policies and fiscal and regulatory zoning by local governments as significant factors in increasing the land costs in California.

The professor spent a considerable amount of time discussing the City of Petaluma's use of the first Growth Management Plan in the 1970s and outlined his rationale that the plan provided a structure for cities to constrain the use of specific types of land use, which has led to a substantial increase in the cost of land. The Chair commented that until there is an option to address the issues created by local governments' use of Growth Management Plans the current housing environment will not change.

Other elements discussed during testimony included the following:
• Proposition 13 and the impacts it has had on local government's ability to provide services and pay for the various costs of maintaining the built infrastructure.
• Development fees and the impact of higher fees required by local governments.
• Higher costs to build affordable housing.
• Need for construction of a greater mix of housing types.
• The impact of the housing market. The market still defines the types and sizes of housing being built. The state may mandate that smaller homes, in greater densities, must be built. However, if this type of housing is not purchased; builders will not build them.
• Some type of funding is needed to replace what was lost when Redevelopment was eliminated. Funding for "gap financing' must be identified to help with the construction of affordable housing.
• The number of permits pulled state-wide (110,000 in 2019) does not meet the current housing needs and does nothing to address the housing shortage.
• Creative changes Santa Rosa has implemented to increase the construction of housing include waving fees for certain types of development in the downtown and around transit-oriented development, creating policies that address time issues related to housing project approvals and that create certainty for housing construction, eliminating impact fees for ADUs 750 sq.ft. or less, reducing discretionary actions for design review, capping impact fees at three-stories (in the downtown), implementing express permitting process for downtown housing projects.
• Construction costs for labor and materials.
• The need for catalyst funding for housing projects.

The Commission intends to provide a series of recommendations and policy considerations that are not political. They will make decisions based on their research and the testimony provided during the public hearing and intend to provide a report that more accurately identifies the issues that contribute to the costs of building market-rate and affordable housing in the state.

<u>AB 5</u>

Last year, California Assembly Bill 5 (AB 5) was signed into law and codifies the landmark Supreme Court of California case, Dynamex Operations West, Inc. v. Superior Court. In that case, the court held that most workers are employees, ought to be classified as such, and the burden of proof for classifying individuals as independent contractors belongs to the hiring entity. AB 5 entitles workers classified as employees to greater labor protections, such as minimum wage laws, sick leave, and unemployment and workers' compensation benefits, which do not apply to independent contractors. Concerns over employee misclassification, especially in the gig economy, drove support for the bill, but there are many uncertainties regarding the impacts the new law will have on businesses and organizations throughout the state.

In response to the law, a series of bills and a constitutional amendment have been introduced that would either clarify or overturn the law. It is anticipated that other bills will be introduced by the last day for bill introduction. The following are the bills relating to the new law created by AB 5 that have currently been introduced:

• **AB 1850 (Gonzalez) - Employee classification (Watch)** - This bill would declare the intent of the Legislature to enact legislation that would further clarify the application of the California Supreme Court' s decision in Dynamex and recently-enacted requirements under the Labor Code.

• **AB 1925 (Obernolte) – Workers status: independent contractors: small businesses (Watch)** - Existing law establishes that, for purposes of the Labor Code, the Unemployment Insurance Code, and the wage orders of the Industrial Welfare Commission, a person providing labor or services for remuneration is considered an employee rather than an independent contractor unless the hiring entity demonstrates that the person is free from the control and direction of the hiring entity in connection with the performance of the work, the person performs work that is outside the usual course of the hiring entity's business, and the person is customarily engaged in an independently established trade, occupation, or business. This test is commonly known as the "ABC" test.

Existing law charges the Labor Commissioner with the enforcement of labor laws, including worker classification.
Existing law exempts specified occupations and business relationships from the application of Dynamex and these provisions. Existing law instead provides that these exempt relationships are governed by the test adopted in S. G. Borello & Sons, Inc. v. Department of Industrial Relations (1989) 48 Cal.3d 341. This bill would expand the above-described exemptions to also include small businesses, as defined.

• **AB 1928 (Kiley) Employment Standards: Independent Contractors (Watch)** – This bill would repeal existing provisions for determining when workers are employees or independent contractors, and instead require a determination of whether a person is an employee or an independent contractor to be based on the specific multifactor test set forth in the Borello case, including whether the person to whom the service is rendered has the right to control the manner and means of accomplishing the result desired, and other identified factors.

• **ACA 19 (Kiley) Right to Earn a Living Act (Watch)** – A constitutional amendment that would require determinations of whether a person is an employee or an independent contractor to be made using a specified multifactor test that differs from the test described in existing law. Requires that any law that limits the entry into or competition in a business or profession to be limited to those that are demonstrably necessary and narrowly tailored to fulfill legitimate public health, safety, or welfare objectives.

Staff has taken a watch position on all four bills until after the bill introduction period has passed. This will provide the opportunity to better understand all bills related to the new law and their impact, as well as, to discuss the introduced legislation with other stakeholders and organizations before defining an advocacy position for each of the bills.

Homelessness

Governor Newsom's 2020-21 State Budget proposal includes a new, multi-pronged offensive to combat homelessness and address behavioral health needs across the state that, in part, fuel street homelessness. The budget proposal includes $750 million in a new California Access to Housing and Services Fund. The Governor also signed an executive order (Attachment B) that is part of his Administration's comprehensive state response to homelessness, including the creation of the California Access to Housing and Services Fund, availability of state land assets, and standing-up of a state crisis response team.

The Governor's focus is on prevention and early intervention; moving people off the streets and providing them with services; and on creating new temporary housing to effectively reduce street homelessness. The Administration believes a comprehensive response is required that includes shared responsibility and accountability by state and local government partners.

The following are key elements of the Governor's homelessness and mental health budget proposal:

• $750 million fund to get individuals off streets and into supportive services quickly. More homeless infrastructure is being built, but the state still has a severe shortage of affordable and supportive housing units. The budget includes the creation of a California Access to Housing and Services Fund in the state Department of Social Services (DSS) to (a) pay rent for individuals facing homelessness; (b) support regions to bring on more dwelling units and (c) to help stabilize board and care facilities/homes. Unlike other state efforts, this money will go directly to service providers. The Governor proposes to seed this new fund with $750 million in new one-time General fund, and calls on philanthropy and the private sector to step up as well.

• Transform Medi-Cal. The Budget includes $695 million (including federal funds) growing to $1.4 billion by 2022 for an effort to transform Medi-Cal to boost preventative health care that brings down the cost of health care – all designed to pull down matching federal funds to do so. This expansion proposal formerly known as CalAIM and now called Medi-Cal Healthier California for All, would specifically address many challenges of chronically unsheltered populations – providing funding for tenancy support services, housing navigation services, recuperative care, and could include targeted rental assistance if housing insecurity is tied to inappropriately high utilization of costly health care services. This reform will also change how counties operate behavioral health services, making them more closely integrated and act more like physical health services. Funding accounts for half of year one when the waiver begins plus a full year of funding in the next budget year.

• Community Care Collaborative Pilot (CCCP). The budget includes $24.6 million in 2020-21 and $364.2 million over six years for the Department of State Hospitals to implement efforts in three pilot counties to place individuals with mental health needs, specifically those designated Incompetent to Stand Trial, into stable placements in the community instead of state hospital placements.

Primary Elements of the Governor's Executive Action to Address the Homelessness Crisis

• Immediately establish the California Access to Housing and Services Fund. The Fund will receive future state appropriations, as well as donations from philanthropy and the private sector, to provide much needed dollars for additional affordable housing units, providing rental and operating subsidies, and stabilizing board and care homes.

• Identify state-owned land to temporarily house the homeless. The Governor will task the Department of General Services with identifying properties from the digitized inventory of excess state lands created by EO N-06-19 that can be used by local partners, including counties, cities, or non-profit agencies, on a short-term emergency basis to house individuals who are homeless, so long as such usage does not delay affordable housing development.

• Caltrans will be similarly tasked to share a model lease template to allow local partners to use Caltrans property adjacent to highways or state roads in those jurisdictions on a short-term emergency basis to house individuals who are homeless, building on recent partnerships with the cities of Los Angeles, San Jose and San Francisco.

• The Office of Statewide Health Planning and Development will be directed to work with local jurisdictions and provide entities to conduct an initial assessment of vacant and decommissioned hospitals and health care facilities that can be used by local partners on a short-term emergency basis to house the homeless.

• The California Department of Food and Agriculture, in consultation with the Department of Housing and Community Development, the Department of Social Services and the Office of Emergency Services, will be directed to conduct an initial assessment of fairgrounds near jurisdictions where a shelter crisis is in effect.

• Stand up temporary camp trailers from the state fleet. The Governor will direct the Department of General Services to supply 100 camp trailers from the state fleet, and the Emergency Medical Services Authority to deploy modular tent structures, to provide temporary housing and delivery of health and social services across the state. These trailers will be made available to local partners to operate where certain criteria are met.

• Establish a multi-agency state crisis response team. The Governor will create a state crisis response team to assist local governments in addressing street homelessness, comprised of the Homeless Coordinating and Financing Council, the Business, Consumer Services, and Housing Agency; the Government Operations Agency; the Health and Human Services Agency; the Labor and Workforce Development Agency; and the State Transportation Agency. The strike team shall provide technical assistance and targeted direct support to counties, cities, and public transit agencies seeking to bring individuals experiencing homelessness indoors, and support those entities in bringing those individuals indoors and connecting them with appropriate health, human, and social services and benefits.

Staff is, and will remain, fully involved in understanding the entirety of the governor’s actions and the opportunities that exist for accessing funding or new programs that become available due to the actions taken by the Administration. Staff is participating in meetings on how the homeless funding included in last year’s state budget will be used in South Placer.

Additionally, the Governor’s Council of Regional Homeless Advisors, co-chaired by Sacramento Mayor Darrell Steinberg and Supervisor Mark Ridley-Thomas of Los Angeles County released their proposed recommendations, which included a proposal for a “legally enforceable mandate” that would force municipalities and the state to house the growing number of homeless Californians. The proposal urged the Legislature to put a state constitutional amendment on the November ballot that would force California cities and counties to take steps to provide housing for the more than 150,000 Californians who lack it, or face legal action.

Conclusion

Government relations staff will have a tremendous amount of work to do at the conclusion of the bill introduction period to ensure all bills that are important to the City are identified and tracked. However, staff will be prepared to provide a more comprehensive overview to the L&R Committee at their March meeting of those bills that are of particular concern to the City. Staff will remain actively engaged with the city's lobbyist on the development of advocacy strategies for those bills that may have the greatest significance.

FISCAL IMPACT

The costs of these activities are contained within the City's current budget.

ECONOMIC DEVELOPMENT / JOBS CREATED

The activities detained in this report will not result in job development or creation.

ENVIRONMENTAL REVIEW

The California Environmental Quality Act (CEQA) does not apply to activities that will not result in a direct or reasonably foreseeable indirect physical change in the environment, or is otherwise not considered a project as defined by CEQA Statute §21065 and CEQA State Guidelines §15060(c)(3) and §15378. The action of reviewing legislation meets the above criteria and is not subject to CEQA. No additional environmental review is required.

Respectfully Submitted,

Mark Wolinski, Government Relations Administrator

Megan MacPherson, Public Affairs and Communications

Dominick Casey, City Manager

ATTACHMENTS:

Description

Priority Legislation February 2020 Attachment A

Priority Legislation – February 2020 Attachment A

1. CA AB 1850

AUTHOR: Gonzalez [D]

TITLE: Employee Classification

FISCAL COMMITTEE: no

URGENCY CLAUSE: no

DISPOSITION: Pending

LOCATION: ASSEMBLY

CODE SECTION:
An act relating to employment.

SUMMARY:
Declares the intent of the Legislature to enact legislation that would further clarify the application of the California Supreme Court's decision in Dynamex Operations W. v. Superior Court (2018) and recently-enacted requirements under the Labor Code.

DIGEST:
AB 1850, as introduced, Gonzalez. Employee classification.
Existing law, as established in the case of Dynamex Operations W. v. Superior Court (2018) 4 Cal.5th 903 (Dynamex), creates a presumption that a worker who performs services for a hirer is an employee for purposes of claims for wages and

benefits arising under wage orders issued by the Industrial Welfare Commission. Existing law requires a 3-part test, commonly known as the " ABC" test, to determine if workers are employees or independent contractors for purposes of specified wage orders. Existing law establishes that, for purposes of the Labor Code, the Unemployment Insurance Code, and the wage orders of the Industrial Welfare Commission, a person providing labor or services for remuneration is considered an employee rather than an independent contractor unless the hiring entity demonstrates that the person is free from the control and direction of the hiring entity in connection with the performance of the work, the person performs work that is outside the usual course of the hiring entity' s business, and the person is customarily engaged in an independently established trade, occupation, or business. This test is commonly known as the " ABC" test. Existing law charges the Labor Commissioner with the enforcement of labor laws, including worker classification.

Existing law exempts specified occupations and business relationships from the application of Dynamex and these provisions. Existing law instead provides that these exempt relationships are governed by the test adopted in S. G. Borello & Sons, Inc. v. Department of Industrial Relations (1989) 48 Cal.3d 341.
This bill would declare the intent of the Legislature to enact legislation that would further clarify the application of the California Supreme Court' s decision in Dynamex and recently-enacted requirements under the Labor Code.

Vote: MAJORITY
Appropriation: NO
Fiscal Committee: NO
Local Program: NO

STATUS:	
01/06/2020	INTRODUCED. Master
PRIVATE FILE:	
Department:	CityAttorney, HR
Position:	Watch
Priority:	StatePriority
Subject:	Contracting

2. CA AB 1925

AUTHOR:	Obernolte [R]
TITLE:	Worker Status: Independent Contractors: Small Business
FISCAL COMMITTEE:	yes
URGENCY CLAUSE:	no
DISPOSITION:	Pending
LOCATION:	ASSEMBLY

CODE SECTION:
An act to amend Section 2750.3 of the Labor Code, relating to employment.

SUMMARY:
Expands the exemptions from the Dynamex decision and provisions of the Labor Code and the Unemployment Insurance Code to also include small businesses.

DIGEST:
AB 1925, as introduced, Obernolte. Worker status: independent contractors: small businesses.

Existing law, as established in the case of Dynamex Operations W. Inc. v. Superior Court (2018) 4 Cal.5th 903 (Dynamex), creates a presumption that a worker who performs services for a hirer is an employee for purposes of claims for wages and benefits arising under wage orders issued by the Industrial Welfare Commission. Existing law requires a 3-part test, commonly known as the "ABC" test, to determine if workers are employees or independent contractors for purposes of specified wage orders.

Existing law establishes that, for purposes of the Labor Code, the Unemployment Insurance Code, and the wage orders of the Industrial Welfare Commission, a person providing labor or services for remuneration is considered an employee rather than an independent contractor unless the hiring entity demonstrates that the person is free from the control and direction of the hiring entity in connection with the performance of the work, the person performs work that is outside the usual course of the hiring entity's business, and the person is customarily engaged in an independently established trade, occupation, or business. This test is commonly known as the "ABC" test. Existing law charges the Labor Commissioner with the enforcement of labor laws, including worker classification.

Existing law exempts specified occupations and business relationships from the application of Dynamex and these provisions. Existing law instead provides that these exempt relationships are governed by the test adopted in S. G. Borello & Sons, Inc. v. Department of Industrial Relations (1989) 48 Cal.3d 341.
This bill would expand the above-described exemptions to also include small businesses, as defined.

Vote Required: MAJORITY Appropriation: NO Fiscal Committee: YES Local Program: NO Immediate Effect NO Urgency: NO Tax Levy: NO Election: NO Usual Current Expenses: NO Budget Bill: NO Prop 25 Trailer Bill: NO

STATUS:

01/14/2020	INTRODUCED. Master
PRIVATE FILE:	
Department:	CityAttorney, HR
Position:	Watch
Priority:	StatePriority
Subject:	Contracting

3. CA AB 1928

AUTHOR: Kiley [R]

COAUTHOR(S): Jones [R], Gallagher [R], Moorlach [R], Fong [R], Melendez [R]

TITLE: Employment Standards: Independent Contractors

FISCAL COMMITTEE: yes

URGENCY CLAUSE: yes

DISPOSITION: Pending

LOCATION: ASSEMBLY

CODE SECTION:
An act to amend Section 2750.5 of, to add Section 2750.7 to, and to repeal Section 2750.3 of, the Labor Code, relating to employment, and declaring the urgency thereof, to take effect immediately.

SUMMARY:
Repeals existing provisions for determining when workers are employees or independent contractors, and instead requires a determination of whether a person is an employee or an independent contractor to be based on the specific multifactor test set forth in the Borello case, including whether the person to whom the service is rendered has the right to control the manner and means of accomplishing the result desired, and other identified factors.

DIGEST:
AB 1928, as introduced, Kiley. Employment standards: independent contractors and employees.

Existing law, as established in the case of Dynamex Operations W. Inc. v. Superior Court (2018) 4 Cal.5th 903 (Dynamex), creates a presumption that a worker who performs services for a hirer is an employee for purposes of claims for wages and benefits arising under wage orders issued by the Industrial Welfare Commission. Existing law requires a 3-part test, commonly known as the "ABC" test, to determine if workers are employees or independent contractors for purposes of specified wage orders.

Existing law establishes that, for purposes of the Labor Code, the Unemployment Insurance Code, and the wage orders of the Industrial Welfare Commission, a person providing labor or services for remuneration is considered an employee rather than an independent contractor unless the hiring entity demonstrates that the person is free from the control and direction of the hiring entity in connection with the performance of the work, the person performs work that is outside the usual course of the hiring entity's business, and the person is customarily engaged in an independently established trade, occupation, or business. This test is commonly known as the "ABC" test. Existing law charges the Labor Commissioner with the enforcement of labor laws, including worker classification.

Existing law exempts specified occupations and business relationships from the application of Dynamex and these provisions. Existing law instead provides that these exempt relationships are governed by the test adopted in S. G. Borello & Sons, Inc. v. Department of Industrial Relations (1989) 48 Cal.3d (Borello). This bill would repeal those existing provisions and instead require a determination of whether a person is an employee or an independent contractor to be based on the specific multifactor test set forth in Borello, including whether the person to whom service is rendered has the right to control the manner and means of accomplishing the result desired, and other identified factors. The bill would make related, conforming changes.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote Required: TWO THIRDS Appropriation: NO Fiscal Committee: YES Local

Program: NO Immediate Effect YES Urgency: YES Tax Levy: NO Election: NO Usual Current Expenses: NO Budget Bill: NO Prop 25 Trailer Bill: NO

STATUS:

01/15/2020	INTRODUCED.
	Master
PRIVATE FILE:	
Department:	CityAttorney, HR
Position:	Support
Priority:	StatePriority
Subject:	Contracting

4. CA ACA 19

AUTHOR:	Kiley [R]
COAUTHOR(S):	Jones [R], Gallagher [R], Moorlach [R], Fong [R], Melendez [R]
TITLE:	Right to Earn a Living Act
FISCAL COMMITTEE:	no
URGENCY CLAUSE:	no
DISPOSITION:	Pending
LOCATION:	ASSEMBLY

CODE SECTION:
A resolution to propose to the people of the State of California an amendment to the Constitution of the State, by adding Section 33 to Article I thereof, relating to personal rights.

SUMMARY:
Requires determinations of whether a person is an employee or an independent contractor to be made using a specified multifactor test that differs from the test described in existing law. Requires that any law that limits the entry into or competition in a business or profession to be limited to those that are demonstrably

necessary and narrowly tailored to fulfill legitimate public health, safety, or welfare objectives.

DIGEST:
ACA 19, as introduced, Kiley. Right to Earn a Living Act.
The California Constitution grants many rights to persons, including the right to speak and write freely, as specified, and to be free from cruel and unusual punishment. Existing statutory law requires that a person providing labor or services for remuneration shall be considered an employee rather than an independent contractor, for specified purposes, unless the hiring entity demonstrates that the person is free from the control and direction of the hiring entity in connection with the performance of the work, both under the contract for the performance of the work and in fact, the person performs work that is outside the usual course of the hiring entity's business, and the person is customarily engaged in an independently established trade, occupation, or business of the same nature as that involved in the work performed.

This measure, "The Right to Earn a Living Act," would require determinations of whether a person is an employee or an independent contractor to be made using a specified multifactor test that differs from the test described above. The measure would also require that any law that limits the entry into or competition in a business or profession to be limited to those that are demonstrably necessary and narrowly tailored to fulfill legitimate public health, safety, or welfare objectives. The measure would also prohibit a law from preventing an employer from agreeing to an employee's request for a flexible work schedule, as specified.

Vote Required: TWO THIRDS Appropriation: NO Fiscal Committee: NO Local Program: NO

STATUS:	
01/15/2020	INTRODUCED.
	Master
PRIVATE FILE:	
Department:	CityAttorney, HR, PAC
Position:	Watch

5. CA SB 795

AUTHOR:	Beall [D]
COAUTHOR(S):	Caballero [D], Bradford [D], Hueso [D], Wieckowski [D], Low [D], Gloria [D], Kalra [D], Stern [D], Wiener [D], Portantino [D], Mullin [D], Roth [D], McGuire [D]
TITLE:	Affordable Housing and Community Development Investment
FISCAL COMMITTEE:	yes
URGENCY CLAUSE:	no
DISPOSITION:	Pending

LOCATION: Senate Governance and Finance Committee

CODE SECTION:
An act to add Section 41202.6 to the Education Code, to add Part 4 (commencing with Section 55900) to Division 2 of Title 5 of, and to add Division 6 (commencing with Section 62300) to Title 6 of, the Government Code, and to add Section 97.68.1 to the Revenue and Taxation Code, relating to local government finance.

SUMMARY:
Establishes the Affordable Housing and Community Development Investment Program administered by by the Affordable Housing and Community Development Investment Committee; authorizes a city, county, city and county, joint powers agency, enhanced infrastructure financing district, affordable housing authority, community revitalization and investment authority, transit village development district or a combination of entities to apply to participate in the program.

DIGEST:
SB 795, as introduced, Beall. Affordable Housing and Community Development Investment Program.

Existing property tax law requires the county auditor, in each fiscal year, to allocate property tax revenue to local jurisdictions in accordance with specified formulas and procedures, subject to certain modifications. Existing law requires an annual reallocation of property tax revenue from local agencies in each county to the Educational Revenue Augmentation Fund (ERAF) in that county for allocation to specified educational entities.

Existing law authorizes certain local agencies to form an enhanced infrastructure financing district, affordable housing authority, transit village development district, or community revitalization and investment authority for purposes of, among other things, infrastructure, affordable housing, and economic revitalization.
This bill would establish in state government the Affordable Housing and Community Development Investment Program, which would be administered by the Affordable Housing and Community Development Investment Committee. The bill would authorize a city, county, city and county, joint powers agency, enhanced infrastructure financing district, affordable housing authority, community revitalization and investment authority, transit village development district, or a combination of those entities, to apply to the Affordable Housing and Community Development Investment Committee to participate in the program and would authorize the committee to approve or deny plans for projects meeting specific criteria.

The bill would also authorize certain local agencies to establish an affordable housing and community development investment agency and authorize an agency to apply for funding under the program and issue bonds, as provided, to carry out a project under the program. Among other things, the bill would require that an applicant certify that a skilled and trained workforce, as defined, will be used to complete the project if the plan is approved, except as specified. The bill would also require the Department of Housing and Community Development to certify to the committee whether the housing element of the applicant, if applicable, is in substantial compliance with specified law and whether any rezoning of sites required by law have been completed. By requiring the applicant and the department to make these certifications, the bill would expand the scope of the crime of perjury.

The bill would require the Affordable Housing and Community Development Investment Committee to adopt guidelines for plans. Subject to the Legislature enacting a budget bill for the applicable fiscal year that specifies the amount for the committee to allocate pursuant to the program, the bill would require the committee to approve no more than $200,000,000 per year from July 1, 2022, to June 30, 2027, and $250,000,000 per year from July 1, 2027, to June 30, 2031, in transfers from a county' s ERAF for applicants for plans approved pursuant to this program.

The bill would provide that eligible projects include, among other things, the predevelopment, development, acquisition, rehabilitation, and preservation of workforce and affordable housing, certain transit-oriented development, and projects promoting strong neighborhoods.

The bill would require the Affordable Housing and Community Development Investment Committee, upon approval of a plan and subject to specified conditions, to issue an order directing the county auditor to transfer an amount of ad valorem property tax revenue that is equal to the affordable housing and community development investment amount approved by the committee, except as provided, from the county' s ERAF. The bill would require the county auditor to either deposit that amount into the Affordable Housing and Community Development Investment Fund, which this bill would create in the treasury of each county, or, if the applicant is a specified type of authority or special district to transfer to the city or county that created the authority or district an amount of property tax revenue equal to the amount approved by the Affordable Housing and Community Development Investment Committee for that authority or district. The bill would require the city or county that created the district to, upon receipt, transfer those funds to the authority or district in an amount equal to the affordable housing and community development investment amount for that authority or district. The bill would authorize applicants to use approved amounts to incur debt or issue bonds or other financing to support an approved project.

The bill also would require each applicant that has received funding to submit annual reports, as specified, and would require the Affordable Housing and Community Development Investment Committee to provide a report to the Joint Legislative Budget Committee, if it approves funding under the program, that includes certain project information.

Section 8 of Article XVI of the California Constitution sets forth a formula for computing the minimum amount of revenues that the state is required to appropriate for the support of school districts and community college districts for each fiscal year.

This bill would require the Director of Finance to adjust the percentage of General Fund revenues appropriated for school districts and community college districts for these purposes in a manner that ensures that the transfers from a county' s ERAF pursuant to the Affordable Housing and Community Development Investment Program have no net fiscal impact upon the total amount of the General Fund revenue and local property tax revenue allocated to school districts and community college districts pursuant to Section 8 of Article XVI of the California Constitution, as specified.

By imposing new duties on local officials with respect to transferring funds from a country' s ERAF, and by expanding the scope of the crime of perjury by requiring the certification of certain information, the bill would impose a state-mandated local program

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.
This bill would provide that with regard to certain mandates no reimbursement is required by this act for a specified reason.

With regard to any other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains costs so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Vote: MAJORITY
Appropriation: NO
Fiscal Committee: YES
Local Program: YES

STATUS:	
01/06/2020	INTRODUCED.
01/16/2020	To SENATE Committees on GOVERNANCE AND FINANCE, HOUSING, and EDUCATION.
PRIVATE FILE:	Master
Department:	Finance, Housing, PAC, Planning
Position:	Watch
Priority:	StatePriority

EXECUTIVE DEPARTMENT
STATE OF CALIFORNIA

Attachment B

EXECUTIVE ORDER N-23-20

WHEREAS California faces a severe housing crisis that has made housing unaffordable for too many Californians and, in turn, exacerbated the problem of homelessness; and

WHEREAS homelessness in California is not confined to urban corridors but is present in urban, suburban, and tribal and rural communities throughout the state; and

WHEREAS data released recently by the U.S. Department of Housing and Urban Development based on the 2019 Point-in-Time Count indicated that there were 151,278 individuals who were homeless in California, over 108,000 of whom were unsheltered, and that the homeless population has been steadily increasing; and

WHEREAS Californians driven into homelessness often develop significant health issues over time and, often experience significant morbidity and die sooner; and

WHEREAS it is estimated that a substantial proportion of individuals who are homeless experience chronic physical and mental health disorders, yet are not receiving regular and consistent medical or psychiatric care; and

WHEREAS California's homelessness crisis has put considerable stress on many public services including transportation, libraries, schools, health services and public safety, as well as created public health challenges; and

WHEREAS California's homelessness crisis has impacted certain business sectors throughout the state and is a top concern to many residents, businesses, communities, tribal governments, cities, and counties across the state; and

WHEREAS unauthorized encampments of people who are homeless are increasing in many areas of the state within the public right of way and near or on private or tribal property, resulting in traffic and fire hazards, crime, risk of injury and death, and other conditions detrimental to public health and safety, both for people who are homeless and people who are not; and

WHEREAS since 2018, almost 200 counties and cities have declared a shelter crisis, pursuant to Government Code section 8698 et seq.; and

WHEREAS over the past two years, the state has substantially increased its efforts to address street homelessness by providing more than $2.7 billion in new funding, significantly increasing its support for safety net services, eliminating barriers to getting navigation centers and temporary housing built to allow homeless adults to receive services and stability in order to find longer-term housing, enacting the most aggressive rent-gouging protections, launching a 100-Day Challenge Initiative to bring counties and cities together to more urgently address homelessness in their communities, and expediting funding allocations to local governments, including allocations to counties to reduce the number of families in the child welfare services system experiencing homelessness; and

WHEREAS solutions to homelessness require additional innovation, cooperation and urgency within the public sector, and among the public and private and tribal sectors; and

WHEREAS because reducing the population of homeless individuals in California is a matter of critical statewide importance, the state can and needs to do more to help local communities act with urgency to address street homelessness and the society-wide problems associated with the homelessness crisis.

NOW, THEREFORE, I, GAVIN NEWSOM, Governor of the State of California, by virtue of the power and authority vested in me by the Constitution and statutes of the State of California, do hereby issue this Order to reduce street homelessness, break down barriers to homeless individuals accessing health care and other critical services, and to increase housing options for those experiencing homelessness. This Order shall become effective immediately.

IT IS HEREBY ORDERED THAT:

1. All state agencies specifically referenced in this Order shall develop by no later than February 28, 2020 accountability metrics for state agencies and for local partners to assess the use of the state resources referenced in the following paragraphs and their impact on reducing street homelessness, breaking down barriers to homeless individuals accessing health care and other critical services, and increasing housing options for those experiencing homelessness. The metrics shall be published online and regularly updated. In carrying out this Order, state agencies shall consider the extent to which local partners regularly and publicly report data based on the local metrics.

2. The Department of Finance, pursuant to its authority under Government Code sections 11005, 11005.1, and 13306, shall immediately establish the California Access to Housing and Services Fund within the Department of Social Services, to receive future state appropriations, as well as donations from philanthropy and the private sector, and to provide much needed dollars for additional affordable housing units, providing rental and operating subsidies, and stabilizing board and care homes;

3. To rapidly increase housing options for those experiencing homelessness, the following actions shall occur by no later than January 31, 2020:

a. The Department of General Services shall identify all properties from the digitized inventory of excess state land created by EO N-06-19 that can be used by local partners, including tribal governments, counties, cities, or non-profit agencies, on a short-term emergency basis to provide shelter for individuals who are homeless, so long as such usage will not delay affordable housing development on those properties.

b. The Department of General Services shall conduct an initial assessment of all state facilities to identify facilities that can be used by local partners on a short-term emergency basis to provide shelter for individuals who are homeless and in need of health and social services.

c. The Department of Transportation (Caltrans) shall develop and share a model lease template to allow counties and cities to use Caltrans property adjacent to highways or state roads in those jurisdictions on a short-term emergency basis to provide shelter for individuals who are homeless, building on recent partnerships with the cities of Los Angeles, San Jose, and San Francisco, and consistent with Streets & Highways Code section 104.30. Priority for future partnerships to make state land available to counties and cities for short-term emergency housing shall be given to jurisdictions where a shelter crisis declared pursuant to Government Code section 8698 et seq. is in effect.

d. The Office of Statewide Health Planning and Development shall work with local jurisdictions, tribal communities, and private entities to conduct an initial assessment of the appropriateness and availability of vacant and decommissioned hospitals and health care facilities for use by local partners on a short-term emergency basis to provide shelter for individuals who are homeless.

e. The Department of Food and Agriculture, in consultation with the Department of General Services, the Department of Housing and Community Development, the Department of Social Services, and the Office of Emergency Services, shall conduct an initial assessment of fairgrounds in or near jurisdictions where a shelter crisis is currently in effect, and, for those fairgrounds, determine the population capacity and space that would currently be available to local partners on a short-term emergency basis to provide shelter for individuals who are homeless.

4. The Department of General Services shall supply 100 travel trailers from the state fleet, and the Emergency Medical Services Authority shall supply complementary modular tent structures, to provide temporary emergency housing and the delivery of health and social services in communities across the state. The Department of General Services and the Emergency Medical Services Authority shall supply trailers and tents immediately and

end by September 30, 2020, unless the secretaries of the Government Operations Agency and the Health and Human Services Agency both concur on a case-by-case basis that the specific circumstances warrant the continued use of the trailers or tent structures. These trailers and tent structures shall only be used where the following criteria have been satisfied:

a. A shelter crisis declared pursuant to Government Code section 8698 et seq. or its equivalent under the applicable laws governing the jurisdiction of a federally recognized tribe in California is in effect.

b. Local partners, including counties, cities, and non-profit agencies, have the capacity and resources to deploy, operate, secure, and maintain the trailers or tent structures.

c. Local partners make appropriate health, social, housing, and other appropriate services available to support the needs of individuals temporarily housed in the trailers or tent structures and transition them into permanent, safe and stable housing.

d. Local partners agree to regularly and publicly report data based on the accountability metrics referenced in paragraph 1.

5. To further assist local jurisdictions in addressing street homelessness, there shall be a multi-agency state strike team comprised of the Business, Consumer Services, and Housing Agency; the Government Operations Agency; the Health and Human Services Agency; the Labor and Workforce Development Agency; and the Transportation Agency. The strike team shall be coordinated by the Homeless Coordinating and Financing Council and provide technical assistance and targeted direct support to counties, cities, and public transit agencies seeking to bring individuals experiencing homelessness indoors and connect them with appropriate health, human, and social services and benefits.

FURTHERMORE, all counties, cities, public transit agencies, special districts, school districts, tribal governments, and non-governmental actors, including businesses, faith-based organizations, and other non-profit agencies, are requested to examine their own ability to provide shelter and house homeless individuals on a short-term emergency basis and coordinate with local authorities to provide shelter and house individuals.

IT IS FURTHER ORDERED that as soon as hereafter possible, this Order shall be filed with the Office of the Secretary of State and that widespread publicity and notice shall be given to this Order.

This Order is not intended to, and does not, create any rights or benefits, substantive or procedural, enforceable at law or in equity, against the State of California, its departments, agencies, or other entities, its officers or employees, or any other person.

IN WITNESS WHEREOF I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 8th day of January 2020.

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GAVIN NEWSOM
Governor of California

ATTEST:

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ALEX PADILLA
Secretary of State