

Support Material for Agenda Items No. 1 and No. 4

City/County Manager's Technical Advisory Committee

**March 7, 2024
10:00 AM**

LOCATION:

San Bernardino County Transportation Authority
First Floor Lobby Board Room
1170 W. 3rd Street, San Bernardino, CA 92410

TELECONFERENCE LOCATION:

Needles City Administration & Utility Office
817 3rd Street, Needles, CA 92363

Discussion Items

1. Legislative Update – Jason Rhine, League of California Cities

Receive a general legislative update.

4. Fund Administration Update – Andrea Zureick, SBCTA

Receive a Fund Administration Update.

The PowerPoint presentations are attached.

March 7, 2024



Strengthening California Cities
through Advocacy and Education

City County Manager's Technical Advisory Committee Meeting

Presenter:
Jason Rhine, Director of Legislative Affairs

Proposed 2024-25 State Budget

Strengthening California Cities through Advocacy and Education

Follow us     

www.calcities.org



Proposed 2024-25 State Budget

Overall, the Governor's proposed \$291.5 billion budget:

- **Does not include redirection of city funds to address state budget shortfalls.**
- \$38 billion dollar budget deficit.



Strengthening California Cities through Advocacy and Education

Follow us [f](#) [@](#) [v](#) [X](#) [in](#)

www.calcities.org



But what about the LAO?

The nonpartisan Legislative Analysts Office forecasts a \$73 billion deficit for FY 2024-25 due to:

- Slower economic growth.
- Large revenue forecast misses in previous years.
- Tax filling extensions.

Strengthening California Cities through Advocacy and Education

Follow us [f](#) [@](#) [v](#) [X](#) [in](#)

www.calcities.org



Balancing the budget

The proposed budget is balanced with a combination of:

- \$13.1 billion in reserves
- \$8.5 billion in spending reductions
- \$5.7 billion in internal borrowing
- \$5.1 billion in delays
- \$3.4 billion in shifts
- \$2.1 billion in deferrals



Strengthening California Cities through Advocacy and Education

Follow us [f](#) [@](#) [v](#) [X](#) [in](#)

www.calcities.org



2024 Legislative Session

Strengthening California Cities through Advocacy and Education

Follow us [f](#) [@](#) [v](#) [X](#) [in](#)

www.calcities.org



2024 Legislative session

- 5,200 Bills introduced during the 2023-2024 Legislative Session
- Over 2,100 bills introduced just this year.

Key deadlines:

- March 11th: Last day for spot bill amendments.
- End of March/Early April: Policy committee hearings begin.
- April 26th: Last day for policy committees to send fiscal bills to the floor.
- May 3rd: Last day for policy committees to send bills to the floor.
- May 17th Last day for Appros. Committee to report fiscal bills to the floor.

Strengthening California Cities through Advocacy and Education

Follow us     

www.calcities.org



Revenue and Taxation

Strengthening California Cities through Advocacy and Education

Follow us     

www.calcities.org



Property taxes

SB 1164 (Newman) Property Taxation: New Construction Exclusion: Accessory Dwelling Units.

This measure would exempt new ADU construction from property tax assessment for 15 years from the date of completion or until the property is sold.

Cal Cities Position: Pending



Sales and use tax

SB 1494 (Glazer) Local Agencies: Sales and Use Tax: Retailers.

This measure, as of January 1, 2024, would prohibit a city from entering a sales tax rebate agreement with a retailer. As of January 1, 2030, this measure would make all existing sales tax rebate agreements void and unenforceable.

Cal Cities Position: Pending



Transportation, Communications, and Public Works

Strengthening California Cities through Advocacy and Education

Follow us     

www.calcities.org



Transportation – advanced clean fleets

AB 2418 (Patterson) Federal Pre-emption.

This measure would allow the federal emissions standards to preempt California's more restrictive requirements.

AB 2626 (Dixon) 10-Year Delay.

This measure would allow local government a 10-year delay.

AB 3219 (Sanchez) Price Caps.

This measure would establish price caps on the retail sale of ZEVs.

Cal Cities Position: Support



Public Safety

Strengthening California Cities through Advocacy and Education

Follow us     

www.calcities.org



Retail Theft – Assembly legislation

[AB 1794](#) (McCarty) Crimes.

This measure would make changes to retail theft and is currently a spot bill.

Cal Cities Position: Pending

[AB 2943](#) (Rivas and Zbur) Crimes: Shoplifting.

This measure would make several changes to retail theft including aggregation, repeat offenders, and on-line resellers.

Cal Cities Position: Pending



Retail Theft – Assembly legislation

AB 1960 (Soria) Sentencing Enhancements: Property Loss.

This measure would create sentencing enhancements for taking, damaging, or destroying property in the commission or attempted commission of a felony.

Cal Cities Position: Pending

AB 1772 (Ramos) Theft.

This measure would make changes to Proposition 47 including reinstating felony theft with a prior conviction.

Cal Cities Position: Pending



Retail Theft – Assembly legislation

AB 1779 (Irwin) Theft: Jurisdiction.

This measure would no longer limit jurisdictional rules for specified theft crimes to criminal action brought by the Attorney General.

Cal Cities Position: Pending



Retail Theft – Senate legislation

SB 982 (Wahab) Crimes: Organized Theft.

This measure permanently repeals the sunset date on the organized retail theft statute which is currently January 1, 2026.

Cal Cities Position: Support

SB 1242 (McGuire) Community Correctional Facilities.

This measure is a spot bill that is expected to be amended to address penalties for criminals who start fires in order to engage in retail theft.

Cal Cities Position: Pending



Retail Theft – Senate legislation

SB 1416 (Newman) Retail Theft.

This measure increases penalties on professional organized retail theft for large-scale resale schemes.

Cal Cities Position: Pending



SB 357 (Wiener, 2022) reform

AB 2034 (Rodriguez) Crimes: Loitering for the Purpose of Engaging in a Prostitution Offense.

This measure would make it a misdemeanor to loiter in a public place with the intent to commit prostitution. This measure would also provide that a person's clothing shall not solely determine whether a person is loitering.

Cal Cities Position: Pending



Housing, Community, and Economic Development

Strengthening California Cities through Advocacy and Education

Follow us     

www.calcities.org



Development fees

AB 1820 (Schiavo) Housing Development Projects: Applications. Fees And Exactions.

This measure would require local agencies to provide an estimate of all taxes and fees within 10 business days of a request from a project applicant during the preliminary application process.

Cal Cities Position: Pending



Development fees

SB 937 (Wiener) Development Projects: Permits And Other Entitlements: Fees And Charges.

This measure would limit the ability of local governments to collect mitigation fees to either when a certificate of occupancy is issued, or once construction commences for the projects the fees will be used for. It also prohibits local governments from specific agreements with developers for fee payment.

Cal Cities Position: Pending



Housing element

AB 1886 (Alvarez) Housing Element Law: Substantial Compliance: Housing Accountability Act.

This measure would allow the Builder's Remedy to begin as soon as the Department of Housing and Community Development or a court determines a jurisdiction's housing element is out of compliance.

Cal Cities Position: Pending



Governance, Transparency, and Labor Relations

Strengthening California Cities through Advocacy and Education

Follow us     

www.calcities.org



Ralph M. Brown Act

AB 817 (Pacheco) Open Meetings: Teleconferencing: Subsidiary Body.

This measure would remove barriers to entry for appointed and elected office by allowing nondecision-making legislative bodies to participate in two-way virtual teleconferencing without posting their location.

Cal Cities Position: Co-Sponsor/Support



Environmental Quality



Solid waste and recycling

SB 972 (Min) Methane Emissions: Organic Waste Landfills.

This measure would require CalRecycle to strengthen statewide efforts to support local jurisdictions to remove organic waste from landfills and reduce methane emissions. The measure would require CalRecycle to develop procedures to allow local jurisdictions to request assistance and would also require CalRecycle to report back to the Legislature on the progress of diverting organic waste from landfills by 2028 and how to better align organic waste efforts with the state's other climate goals and policies by 2031.

Cal Cities Position: Sponsor/Support



Disaster preparedness

AB 2330 (Holden) Endangered Species: Routine Fuel Management Activities.

This measure would streamline permits for local agencies to remove vegetation and perform fuel management activities in fire hazard severity zones adjacent to urban communities. This measure would also require the state to overlay existing critical habitat maps with fire hazard severity zone maps to help local and state officials identify and streamline the necessary permits.

Cal Cities Position: Sponsor/Support



Community Services

Strengthening California Cities through Advocacy and Education

Follow us     

www.calcities.org



Housing and homelessness budget request

Cal Cities has called on the Governor and the Legislature to create a **permanent, dedicated funding stream of \$3 billion annually** to address homelessness and construct more affordable housing.

Cal Cities has also engaged on:

[AB 1657](#) (Wicks) The Affordable Housing Bond Act of 2024.

This measure would place a \$10 billion bond measure on the November 2024 ballot to spur the production of affordable and supportive housing.

Cal Cities Position: Support



Recovery housing

AB 2081 (Davies) Substance Abuse: Recovery and Treatment Programs.

This measure would require an operator of a licensed drug and alcohol treatment facility to publicly disclose on its website any legal, disciplinary, or other enforcement action brought by the Department of Health Care Services, including the date and nature of the violation.

Cal Cities Position: Co-sponsor/Support



Recovery housing

AB 2121 (Dixon) Community Care Facilities.

This measure would require the Department of Health Care Services to notify cities when a new license for a drug and alcohol treatment facility is approved within their jurisdiction. This measure would also implement distance requirements between these licensed facilities and between other group homes licensed by other state departments.

Cal Cities Position: Sponsor/Support



Recovery housing

[AB 2574](#) (Valencia) Alcoholism or Drug Abuse Recovery or Treatment Facilities.

This measure would codify existing case law from 2019 (City of Dana Point v. New Method Wellness, Inc.), which determined that unlicensed recovery homes operating as part of a licensed treatment facility located elsewhere may be considered unlawful business use within a residential zone.

Cal Cities Position: Sponsor/Support



Recovery housing

[SB 913](#) (Umberg) Health.

This measure would augment state licensing efforts by requiring the Department of Health Care Services to adopt a process that would allow cities to request approval to conduct site visits of unlicensed sober living homes based on the city's reasonable belief that the home is providing one or more nonmedical services requiring licensing and would allow the city attorney to enforce compliance with existing state licensing laws.

Cal Cities Position: Sponsor/Support



Recovery housing

SB 1334 (Newman) Substance Use Disorder Treatment: Licensing.

This measure would authorize local jurisdictions to require a use permit or conditional use permit for any recovery residence that services seven or more residents. This measure would also allow local jurisdictions to require recovery residences to be located at least 1,000 feet from another state-licensed alcohol or drug recovery facility or recovery residence.

Cal Cities Position: Pending



Fund Administration Update

Andrea Zureick
Director of Fund Administration



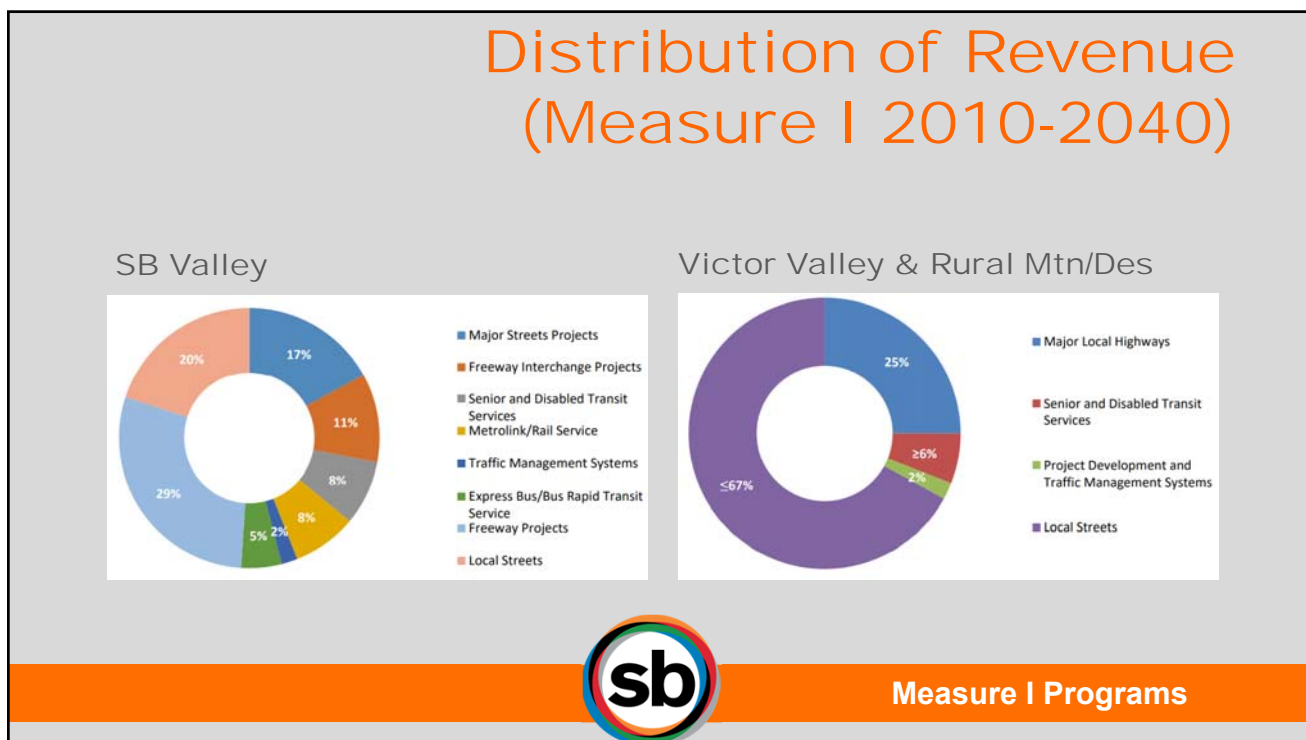
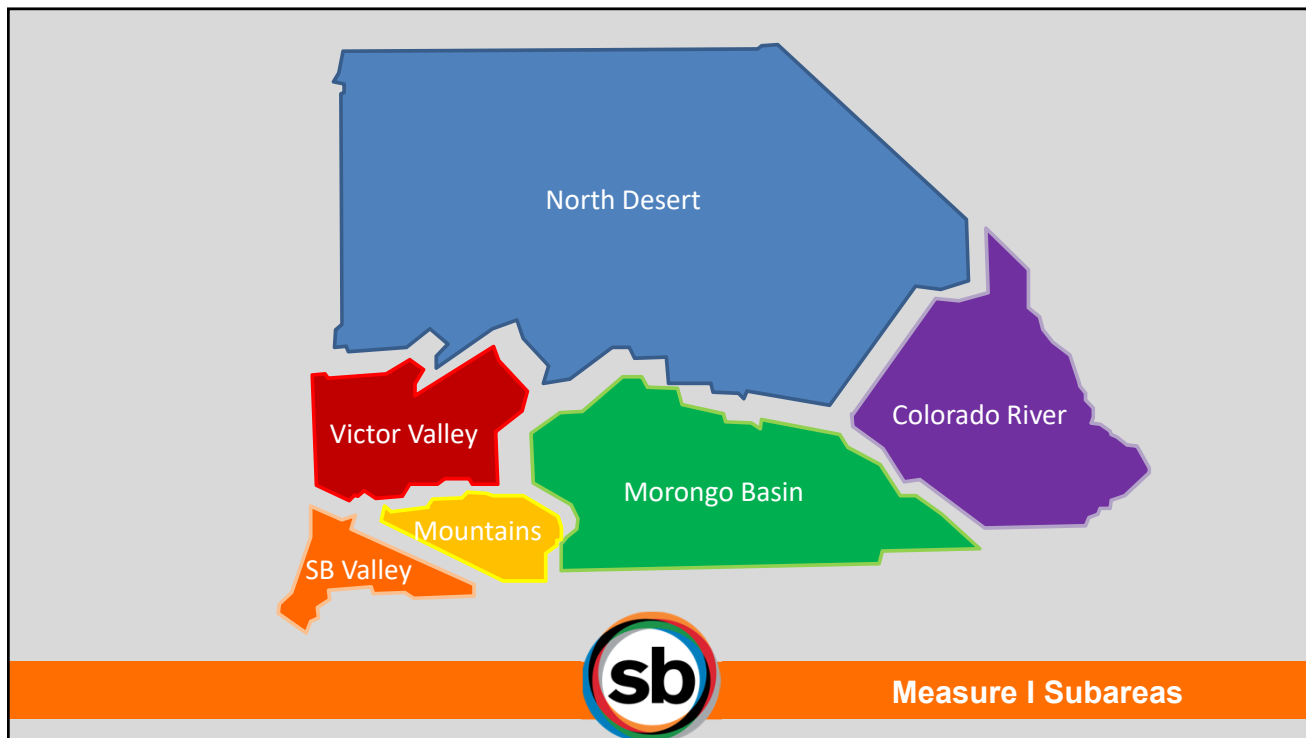
cta

San Bernardino County
Transportation Authority

- **Measure I Overview**
- **Fund Administration's Role in Funding Decisions**
- **2024 Update to the 10-Year Delivery Plan**



Overview



- **Local Streets (20%)**
 - Monthly pass-through to local agencies based on population
- **Major Streets Projects (17%)**
 - 20% for grade separations, 80% allocated to local agencies based on Nexus Study equitable share formula
 - Requires DIF match
 - Reimbursement program
 - Locally prioritized
- **Freeway Interchanges (11%)**
 - Local agencies mostly initiate, but SBCTA commonly leads
 - Requires DIF match

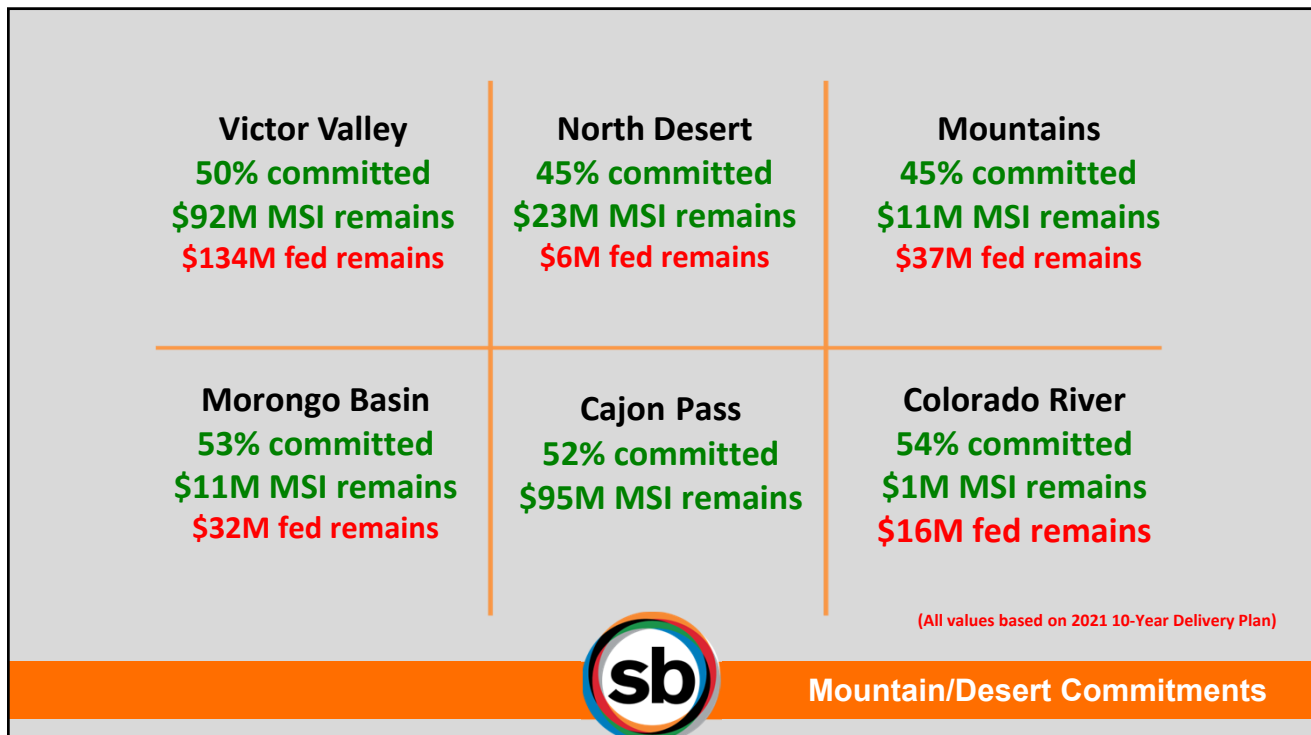
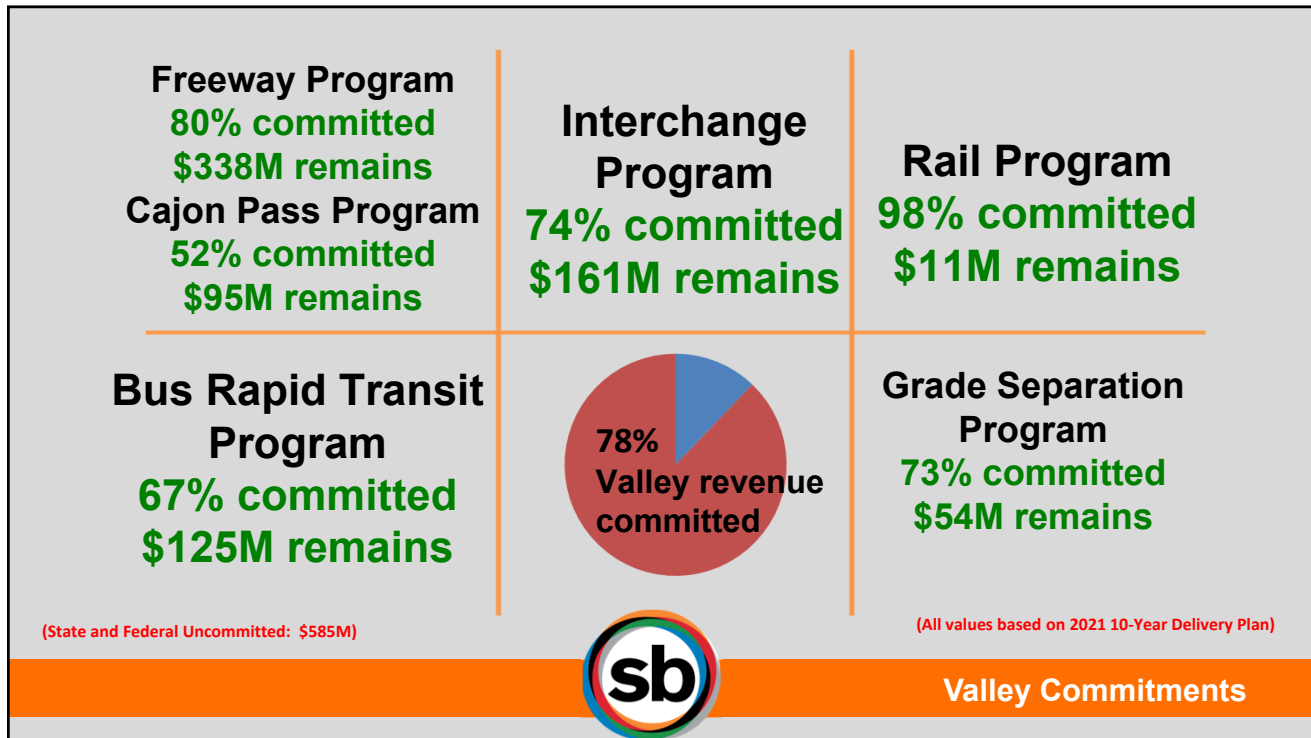


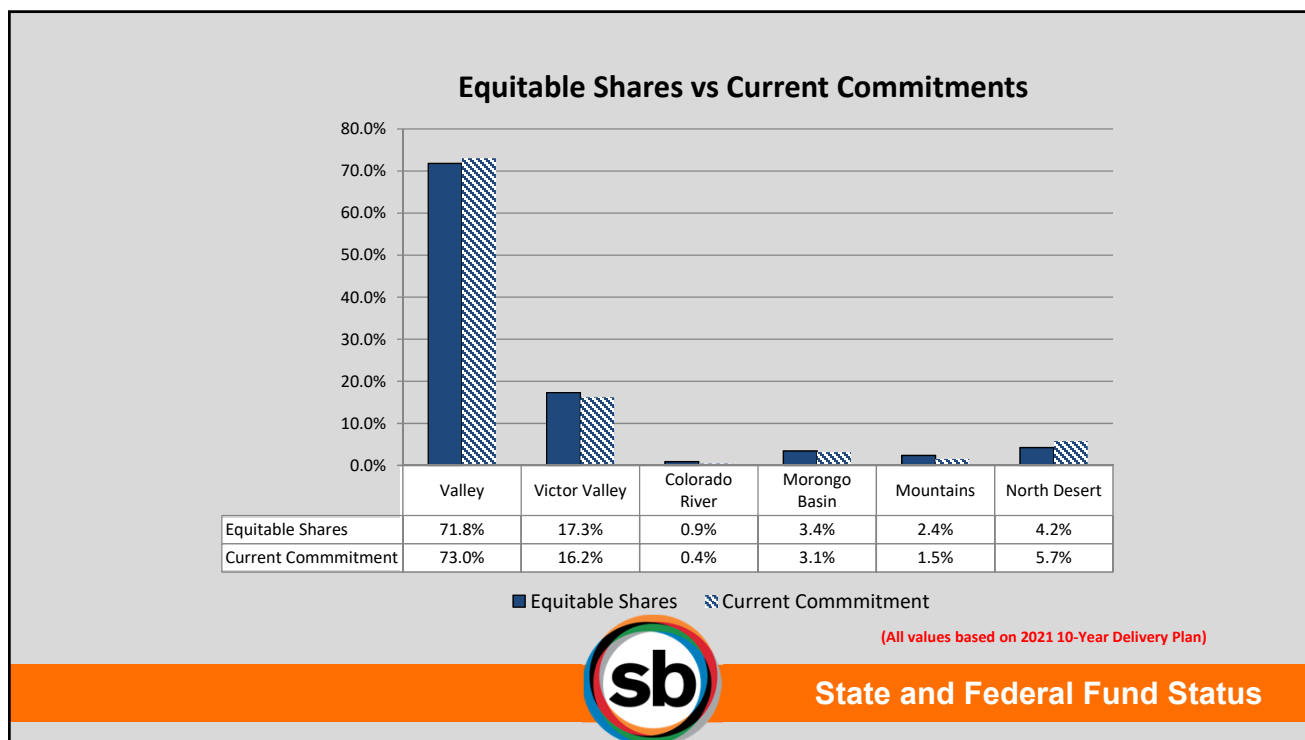
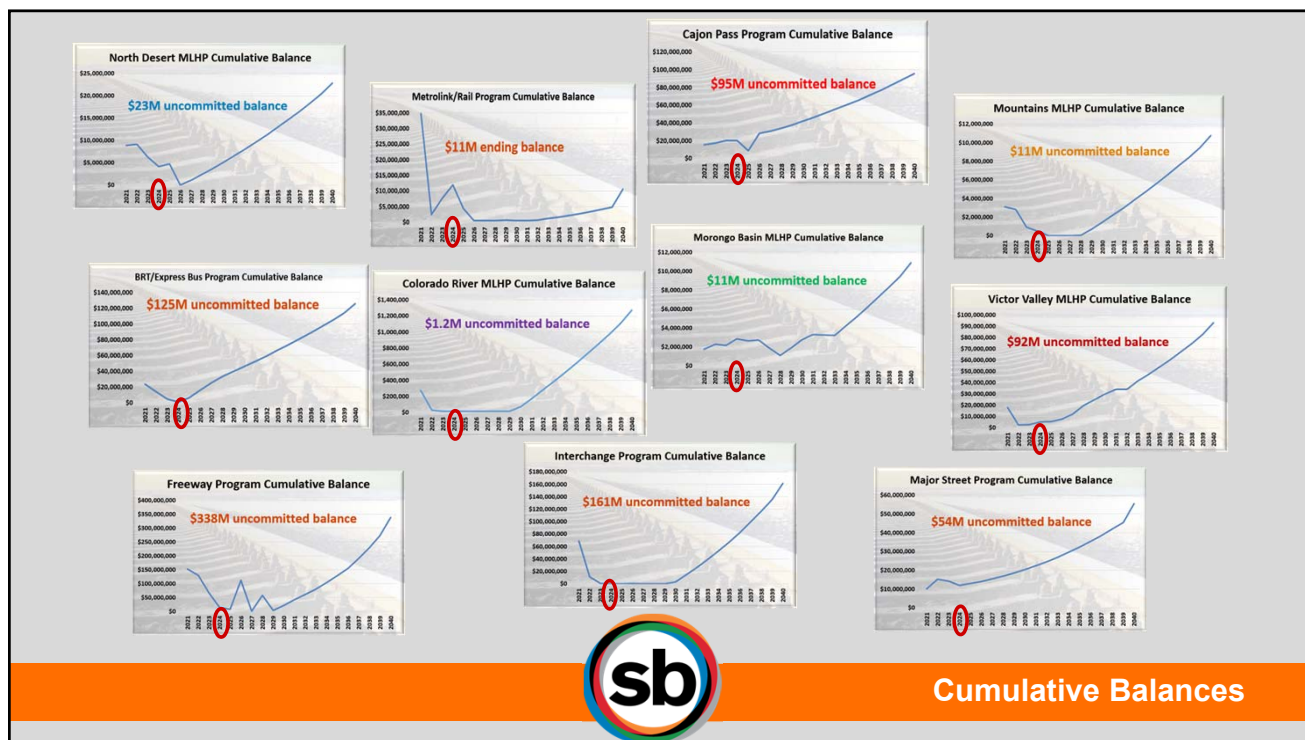
Valley Programs – Local Agency

- **Local Streets (67-68%)**
 - Monthly pass-through to local agencies based 50% on population and 50% on revenue generation
- **Major Local Highway Projects (25%)**
 - Requires DIF match in Victor Valley Subarea
 - Reimbursement program with project-specific funding agreements
 - Locally prioritized
 - Funds split equally among jurisdictions except that projects identified as “regional priorities” funded “off-the-top”



M/D Programs – Local Agency





Valley Local Programs

- **Local Streets**
 - Review five-year Capital Improvement Plan for eligibility
- **Major Streets Projects**
 - Determine annual apportionment and allocation
 - Review invoices for eligibility and required DIF share, and approve for payment
 - Assist local agencies with term loan agreement arrangements and five-year advances
- **Freeway Interchanges**
 - Prepare funding agreements for locally-led interchanges
 - Review invoices for eligibility and required DIF share, and approve for payment
 - Assist local agencies with term loan agreement arrangements
 - Analyze Program bonding needs



Fund Administration Functions

Mountain/Desert Local Programs

- **Local Streets**
 - Review five-year Capital Improvement Plan for eligibility
- **Major Local Highway Projects**
 - Coordinate with each local agency for project priorities and their costs and schedules
 - Analyze Measure I cash flow availability in each Subarea
 - Monitor Measure I equitable shares over time
 - Monitor State and Federal equitable shares between Subareas and work with local agencies to identify appropriate projects
 - Assist Victor Valley local agencies with term loan agreement arrangements
 - Prepare funding agreements for projects ready for advancement
 - Review invoices for eligibility and any required DIF share, and approve for payment
 - Analyze Program bonding needs



Fund Administration Functions

2024 Update

- **May 2024**
 - Program status and initial project lists presented to SBCTA Committees
- **June 2024**
 - Planned I-15 Corridor Contract 1 award at June Board – delays to award could cause delays to final 2024 Update
 - Any substantive changes presented to SBCTA Committees
- **July 2024**
 - Committees dark
- **August 2024**
 - Any substantive changes presented to SBCTA Committees
- **September 2024**
 - Board adopts 2024 Update to the 10-Year Delivery Plan



10-Year Delivery Plan

2024 Update

Critical Outcomes

- Near-term bonding needs for the Valley Freeway and Interchange Programs
- Federal fund allocations for future submittal to SCAG for approval
- Opportunities for grant funding
- Program balances through 2040



10-Year Delivery Plan