

**SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

919



**FROM:** Executive Office

**SUBMITTAL DATE:**  
December 26, 2013

**SUBJECT:** 2014 State Legislative Platform

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Approve the 2014 State Legislative Platform and direct the Executive Office and the county's Sacramento based representatives to advance the legislative proposals contained herein. All districts, [\$0]

**BACKGROUND:**

**Summary**

Each year, the Board of Supervisors adopts a State Legislative Platform to guide the legislative advocacy efforts at the state level. The Executive Office working in conjunction with Board members, department heads, state and regional advocates, developed the State Platform to address a variety of crucial issues facing the county. Previously approved Board positions from earlier state platforms are still in effect. The 2014 Platform includes key state legislative priorities, new policy items and selected policy items of continuing importance.

*Alex Gann*

Alex Gann  
Deputy County Executive Officer

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 0	\$ 0	\$ 0	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0	

<b>SOURCE OF FUNDS:</b> N/A	<b>Budget Adjustment:</b> N/A
	<b>For Fiscal Year:</b> 13/14-14/15

**C.E.O. RECOMMENDATION:**

**APPROVE**

BY: *George A. Johnson*  
George A. Johnson

County Executive Office Signature

**MINUTES OF THE BOARD OF SUPERVISORS**

On motion of Supervisor Jeffries, seconded by Supervisor Benoit and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended with the inclusion of the Los Pinos Fire Camp and a sliding scale for Cal Fire Administrative Fees.

Ayes: Jeffries, Tavaglione, Stone, Benoit and Ashley  
Nays: None  
Absent: None  
Date: January 14, 2014  
xc: E.O.

Kecia Harper-Ihem  
Clerk of the Board  
By: *J. Wells*  
Deputy

Prev. Agn. Ref.: 3.59 12/18/12 | District: All | Agenda Number:

**3-18**

Departmental Concurrence

- A-30
- Positions Added
- 4/5 Vote
- Change Order

**SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA  
FORM 11: 2014 State Legislative Platform**

**DATE: December 26, 2013**

**PAGE: 2 of 2**

**BACKGROUND:**

**Summary (continued)**

The 2014 platform includes new state policy items and key selected policy items of continuing importance. Examples of new items include support for increase funding for AB 109 program implementation; full funding of State PILT payments; alternative or more economical construction methods for jails, vote by mail enhancement; affordable housing legislation; State Water Bond; Veterans driver's license; and full funding for County Veteran Service Offices.

Given the state's continuing effort to solve budget issues through the realignment of programs, the county will oppose any further transfer of programs; without sufficient guarantees that adequate funding is provided to implement those programs. Maintaining local control will also remain important as the county continues to be the center of renewable energy development within California.

The county will continue to monitor the state budget process and request that the state move toward more sound fiscal policies that will help restore balance in keeping programs sufficiently funded. The state needs to make a rainy day fund a reality.

The platform includes the Urban County Caucus legislative priorities and policies for 2014 that is attached. Due to the dynamic nature of the legislative process, additional state legislative issues of concern to the county will be brought forward to the Board for appropriate action throughout the year as the need arises.

Based on the principles of fiscal stability, preservation of local control, efficient service delivery/operations, and the promotion of inter-agency cooperation, the Riverside County Board of Supervisors provide specific direction and overall policy guidance by adopting an annual platform for each legislative session in accordance with Board Policy A-27.

**Impact on Residents and Businesses**

The action should not affect residents or businesses.

**SUPPLEMENTAL:**

**Additional Fiscal Information**

N/A

**Contract History and Price Reasonableness**

N/A

# RIVERSIDE COUNTY 2014

## STATE LEGISLATIVE PLATFORM



### BOARD OF SUPERVISORS

**Jeff Stone, Chairman**  
*Third District*

**Kevin Jeffries**  
*First District*

**John Tavaglione**  
*Second District*

**John J. Benoit**  
*Fourth District*

**Marion Ashley**  
*Fifth District*

**Jay E. Orr**  
*County Executive Officer*

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## **Executive Summary**

## **Executive Summary**

The Executive Office prepared this document with assistance from the Board members, department heads, state advocates and regional stakeholders. Previously approved Board positions from earlier state platforms are still in effect. The 2014 platform includes Key State Legislative Priorities, new existing policy items, selected policy items of continuing importance, and the Urban County Caucus state positions are presented for Board approval. Due to the dynamic nature of the legislative process, additional state legislative issues of concern to the county will be brought forward to the Board for appropriate action throughout the year as the need arises.

Based on the principles of fiscal stability, preservation of local control, efficient service delivery, operations and the promotion of inter-agency cooperation, the Riverside County Board of Supervisors provide specific direction and overall policy guidance by adopting an annual platform for each legislative session in accordance with Board Policy A-27.



## **State Legislative Priorities**

## **State Legislative Priorities**

### **Governance and Finance:**

In order to fulfill the dual roles of agent of the state and local service provider, counties must have adequate authority, flexibility, and resources. Most importantly, counties must have stable sources of revenue that enable them to implement state laws and respond to essential local priorities.

- Support the 2011 (AB 109) public safety realignment of programs from the state to counties, provided that such realignment continues with sufficient funding and the flexibility needed to effectively and efficiently administer realigned programs.
- Support measures that provide adequate funding for programs the county operates on behalf of the state and oppose additional program reductions unaccompanied by a commensurate decrease in responsibility and any attempts to shift costs to counties.
- Support measures that provide constitutional protection of all local revenues.
- Support measures that provide greater decision-making authority over the use of state funds, including direct grants or mandatory pass-through allocations.
- Oppose measures that erode local control and impose additional mandates without a funding mechanism in place.
- Support legislation or budget actions that reduce, streamline or eliminate duplicative or contradictory regulatory and administrative oversight requirements of state programs.
- Support legislation or budget actions that enable the county to address unmet needs in economic development, affordable housing and infrastructure.
- Oppose reductions in state programs that require increased local funding to maintain the same level of service.
- Work with the Legislature and the Governor to reform CEQA, and advocate for meaningful revisions that will improve the process.
- Support renewable energy projects while maintaining local land use control, ensuring adequate revenue to offset impacts.





## **New State Legislative Policy Items**

## **Affordable and Alternative Jail Construction Methods**

**Issue:** AB 109 Public Safety Realignment has exacerbated the need for jail beds within Riverside County. Prior to AB 109, the County was at 83% jail capacity, but within four months of implementation the Sheriff, as he predicted, was forced to begin releasing inmates due to the 1993 Federal order that limits the number of inmates who can be housed to the number of rated beds, 3,906. Since January 2012 more than 16,000 inmates have been released early. The County is attempting to partially solve its jail needs by expanding its eastern jail, but this location will quickly be overwhelmed by the large volume of inmates that are required to be kept locally because of AB 109. Nearly twenty percent of current jail beds are occupied by AB 109 inmates, many of whom have sentences longer than three years. Additional methods of housing inmates are essential.

**Action:** Support legislation or regulatory reform that permits alternative construction methods or techniques for jail facilities. Seek greater efficiencies and alternatives for the housing of inmates. In addition provide counties additional flexibility in working with the state for the housing of inmates.

**Background:** Current regulation of jails in California provides strict criteria by which jail beds are rated and therefore used to house inmates. Jail construction is expensive and takes a considerable amount of time. Additional ways to house inmates and more expedient types of construction, e.g. prefabrication, are essential to meet the challenges of AB109.

## Elections – Vote by Mail

**Issue:** Over 50 percent of Riverside County voters are permanent vote by mail voters. However, the law does not provide a method for elections officials to increase the number of voters assigned to polling places or provide an effective method to subtract permanent vote by mail voters from being assigned to a polling place.

**Action:** Pursue state legislation to amend California Elections Code to enable counties to increase the maximum number of voters in an election precinct and allow for the effective subtraction of permanent vote by mail voters.

**Background:** The number of voters casting ballots by mail continues to increase. The majority of California voters now cast ballots by mail. Recruiting poll workers and securing accessible polling place locations is difficult. Due to the dramatic increase in the number of voters preferring to cast ballots by mail, it is not cost effective to maintain polling places and recruit poll workers based on the current voter consolidation requirements. Currently, California Elections Code provides an antiquated formula that permits a slight reduction in the number of mail voters assigned to polling places.

In order to facilitate election processes and reduce election costs, the election law needs to be amended to enable counties to increase the maximum of voters in an election precinct and allow for the subtraction of permanent vote by mail voters.

**Possible Fiscal Effects:** Cost savings of approximately \$200,000 to \$300,000 for statewide elections in Riverside County.

## **Fully Fund CVSOs'**

**Issue:** To Fully Fund County Veteran Service Offices (CVSOs).

**Action:** Support legislation and budget actions that will continue the state's annual local assistance for County Veterans Service Offices at the \$5.6 million level. County Veterans Service Offices (CVSOs) play a vital role in the local veteran community, not only within the Veterans Affairs claims process, but in other aspects as well. This includes providing information about all veterans' benefits (federal, state and local), as well as providing claims assistance for all veteran-related benefits, referring veterans to ancillary community resources, providing hands-on development and case management services for claims and appeals and transporting local veterans to VA facilities.

**Background:** California is home to approximately two million veterans. Currently, the state budget allocates \$2.6 million to the County Veterans Service Offices (CVSO) in 56 California counties. As a result of this chronic underfunding by the state, CVSOs are understaffed and many are or have faced cutbacks and staff reductions. In spite of this CVSOs, who are the first contact for many veterans in all 58 counties, were able to bring in \$100 of federal veterans benefits for every \$1 spent by the state. Without this funding, California's veterans will not get the government benefits for which they earned through their service in the military.

## **Veterans Driver's License**

**Issue:** Veteran Driver License Identification

**Action:** Introduce legislation that would direct the Department of Motor Vehicles (DMV) to modify the current California Driver License to indicate that the holder of that license is a veteran.

**Background:** Many benefits are offered to veterans. The majority of veterans in California do not have readily available documents to identify themselves as veterans. Carrying a copy of military discharge papers is impractical and invites identity theft. A driver's license or DMV Identification Card is something most people carry and could be easily modified to indicate veteran status. Veteran status could be verified by the local CVSO. By requiring the veteran to go to the CVSO, office staff could verify veteran status and discuss eligibility for additional benefits.

## **Department of Fish and Wildlife – Payment in Lieu of Taxes**

**Issue:** The Department of Fish and Wildlife has not made payments for its PILT obligations for several years. Currently, 36 counties are owed a total of \$17,130,473. Riverside County is owed nearly \$2.7 million, the most of any county in the state. Non-payment of PILT continues to hurt our county as we continue the slow recovery from the recession.

**Action:** Request that the State include PILT past due payments within the 2014-15 Fiscal Year Budget. Annual PILT payments should be made a part of the Department of Fish and Wildlife baseline budget on an ongoing basis to ensure that payments are made in a timely manner.

**Background:** Fish and Game Code Section 1504 specifies that when income is derived directly from real property acquired and operated by the State as wildlife management areas, the Department of Fish and Wildlife shall pay annually to the county in which the property is located an amount equal to the county taxes levied upon the property at the time the property was transferred to the State. These PILT payments are intended to offset adverse impacts to county tax revenues that result when the State acquires private property for wildlife management areas.

## **Eliminate In Home Supportive Services Form**

**Issue:** Medi-Cal Verification form (SOC 873) has proven to be a burden on both the In Home Supportive Services (IHSS) customer and the department without a corresponding benefit.

**Action:** Support legislation to eliminate the SOC 873.

**Background:** In July 2011, the California Department of Social Services (CDSS) added an additional step to the IHSS application process that required medical personnel to verify the medical need for IHSS services. This added a delay in the application process that has not been of benefit to the IHSS customer or the counties and has not resulted in the savings that had been anticipated by the state. Additionally, customers have been subject to a co pay to have the form completed.

In 2011, the Governor estimated \$120.4 million General Fund savings from eliminating all services, effective July 1, 2011, for IHSS recipients who do not obtain this certificate from medical personnel. The Local Assistance Estimate from CDSS May 2013 Revision, reported an actual savings to the state of \$8.3 million in FY 2012-13 and estimates only \$1.9 million savings for FY 2013-14. (Initial savings were higher due to requiring the SOC 873 at yearly re-investigation. The \$1.9 million would be closer to the ongoing yearly savings.)

Riverside County has not experienced a decrease in caseload sizes since the implementation of this requirement. Caseloads have actually increased 3500 since its implementation.

## **Eliminate CalWORKs 100 Hour Rule**

**Issue:** CalWORKs 100-hour rule at application.

**Action:** Support legislation to eliminate the rule that denies eligibility for CalWORKs assistance if the principal wages earner in the family works 100 hours or more a month.

**Background:** Under current guidelines, a family is ineligible for CalWORKs assistance if the main wage earner works 100 hours or more a month. For example, consider a family of four that seeks assistance with a father who is working 100 hours at an \$8.00 an hour job and a mother with no work history. This family would be denied assistance under the 100-hour rule despite their financial eligibility with gross earnings of \$800 a month.

Parents in these situations sometimes choose to live separately to provide some form of economic and medical security for their children under the CalWORKs program. The primary goal of CalWORKs is to temporarily assist customers by providing services that will lead to financial independence. By changing the 100-hour rule, it could help maintain and strengthen the family by discouraging fathers to leave the home to meet eligibility. The Temporary Assistance for Needy Families program has placed a high priority on stabilizing families through marriage.

The number of persons denied due to the 100-hour rule is small. Most applicants for CalWORKs/TANF are single parents whose eligibility is based on deprivation due to the absence of a parent. It is anticipated that a change in the 100-hour rule would result in a small caseload increase.



## **Establish a Share of Cost for the Aged and Disabled Federal Poverty Level (A&D FPL) Medi-Cal Program**

**Issue:** Disproportionate share-of-cost increases for Medi-Cal recipients resulting from cost of living increases in Social Security income

**Action:** Support legislation to modify the Aged and Disabled Federal Poverty level program that will establish a more proportionate share of cost for Medi-Cal. The goal is to assist California citizens who qualify for the A & D FPL program to overcome the negative impacts of disproportionate Medi-Cal cost increases from annual living increases in Social Security Benefits

**Background:** The State of California established the Medi-Cal A & D FPL program to provide medical coverage for its low income aged and disabled population. Most people who qualify for this program receive their income from Social Security. The federal government, in response to inflation, establishes a small annual Cost of Living Adjustment (COLA) for Social Security benefits. The Federal Poverty Level also experiences small increases. Over time, the interplay between minor increases in social security income and unequal raises to the federal poverty level results in increases in the individuals share of cost.

For example, in order to qualify for the A & D FPL program, a single person's income could not exceed \$1158 per month in 2011. An A & D FPL recipient receiving \$1158 monthly SS income in 2011 would, in 2012, receive \$1200 monthly. The FPL in 2012 established a new income limit of \$1181. This recipient is now ineligible for the A & D FPL program and is put into the Medically Needy Medi-Cal Program. As a result, the elder/disabled's share of cost will increase from \$0 to \$580, despite the fact the recipients total income went up \$42, and they were ineligible to the program by only \$19 ( $\$1200 - \$1181 = \$19.00$ ).

In Riverside County from April 2008 through April 2013, an average of 352 persons was terminated from the A&D FPL program on a yearly basis. Approximately 1/3 of these cases involving disabled adults will be eligible to the HCR expansion. It is estimated approximately 230 persons each year would be assisted by this change.

Fiscally, the impact of establishing a proportionate share of cost should be minor as this change does not result in an expansion of those eligible to the Medi-Cal program, as the impacted persons are still eligible to the Medically Needy program.

## **Child Welfare Services Hearsay Exception Rule**

**Issue:** An inadvertent error in California statute impacting foster care cases has caused parties to raise a hearsay objection to previously allowed statements made by health care practitioners in foster care proceedings.

**Action:** Support legislation to clean up inadvertent errors in California Code that can be used to disallow statements provided by health care professional in foster care court proceedings.

**Background:** Social workers produce documents that provide information used in court proceedings impacting a foster care case. Previously, statements provided by health care providers were included in these documents, were not considered hearsay and were accepted by the court.

In amending the penal code in 2012, new subsections were supposed to be changed to include prior references that allowed this practice to continue. However, an error occurred resulting in the references being left off, and because of this, parties can and have raised hearsay objections to statements made by health care practitioners. This situation interferes with the normal processing of these court cases.

**Example:** A nurse informs the social worker that a baby is exhibiting signs of a drug exposed infant. The social worker includes that information in documenting the facts gathered in the case in the court report. If an attorney objects to this as hearsay during the court hearing the court must continue the hearing and subpoena the nurse (at county expense) to testify in court as to his/her observations. This continuance prolongs the case which impacts the child, family, the court calendar, and is an additional expense to the court and county. With this clean-up legislation, we would be able to use the process that had been in place (hearsay exception).

## Parent Locator for Foster Care

**Issue:** Current state law does not allow full access by Child Welfare staff to the States Child Support databases: the California Parent Locator Service (CPLS) or the Federal Parent Locator Service (FPLS)

**Action:** Align state law with federal law to authorize child welfare and probation agencies to access the CPLS and the FPLS to assist in locating the relatives of children in protective custody.

**Background:** Access to the State's child support database for relative searches is necessary to support compliance with the Federal Fostering Connections Act and state laws. These laws require child welfare agencies to exercise due diligence to identify and notify all adult relatives of a child within 30 days of removal from the home, subject to exceptions due to family violence, in an attempt to find a suitable relative for placement consistent with a child's best interest.

The US Department of Health and Human Services Information Memorandum (ACYF-CB-IM-12-06) issued on August 1, 2012 clarified that state child support agencies are authorized to share information from the Federal and State Parent Locator service with child welfare agencies. This is referred to as "locate-only" requests and provides basic information to child welfare agencies to identify and locate potential relatives.

In California, the California Department of Child Support Services (DCSS) houses both California Parent Locator Service (CPLS) and the Federal Parent Locator Services (FPLS) which compile information from federal and state sources. The CPLS includes data from the state's motor vehicles department, utilities, and State Department of Corrections, among other sources. The FPLS includes two databases and information from multiple federal sources including IRS, SSA, Department of Veterans Affairs, Department of Defense, and other sources.

Access to this extensive data will serve as an important tool to child welfare and probation agencies in locating and engaging relatives. This will assist in making more-timely placement decisions that meet the best interests of the child, and will potentially lead to improved outcomes in placement stability and permanency.

## **Statewide Adult Protective Services Training Budget**

**Issue:** Inadequate Training Budget for Adult Protective Services (APS)

**Action:** Support an increase in state funding for training APS staff

**Background:** Training for APS workers and their partner agencies is woefully underfunded and the need for training continues to be acute. Statewide APS training dollars have not been increased for the past 9 years, despite the fact that cases rose by 65% between 2001 and 2013 throughout California. Overall, staffing of APS workers has not increased across the state since 2001, and the resulting larger caseloads intensify the need to train those that are providing vital services to vulnerable clients.

## **FAA Airport Improvement Program Grant Funding Program**

**Issue:** To maintain state match funding for the FAA Airport Improvement Program (AIP) Grant Funding program for small airports.

**Action:** To pass and advocate for legislation for state to maintain an appropriate level of AIP grant funding match based on the percentage scale of 5%.

**Background:** Congress has passed H.R. 658: FAA Modernization and Reform Act of 2012 for Airport Improvement Program (AIP) grant funding. The Airport Improvement Program (AIP) grant funding amount was reduced from 95% to 90% for smaller general aviation airports. Overall AIP funding budget was also cut to \$3.35 billion, compared with \$3.5 billion in the previous two fiscal years.

California Department of Transportation, Division of Aeronautics saw fit to increase the state grant match funding amount to 5% from 2.5%.

Riverside County's principle source of funding for its airport capital improvements are Airport Improvement Program (AIP) grants from the FAA and State Caltrans matching fund grants. Projects eligible for grant funding include improvements related to airport safety, operational facilities, capacity, security and environmental protection.

## **Support of Agriculture**

Agriculture is the county's fourth largest business sector and provides \$4 billion in economic impact for the county. Twelve hundred (1200) farming operations with thousands of direct jobs are created in the county by farming and the agricultural industry. Supporting this industry is vital to the economic interests of the county.

Support legislation and advocate protecting and promoting farming and agriculture within the County of Riverside. This also renews the county support for the reauthorization and passage of a new Farm Bill in Washington, D.C.

Authorizes the County Commission of Foreign Trade to continue advocacy in Washington D.C. and Sacramento for crafting and passage of legislation that benefits the farmer and the agricultural industry in exporting products.

## **Tax Increment Financing**

**Issue:** Tax increment financing authorization

**Action:** Advocate for and support legislation that restores a form of Tax Increment Financing with the administration, assembly, and senate in 2014.

**Background:** Tax Increment Financing will be a tool for use by economic development and job creation in our county and all 28 cities. This tool will allow eligible jurisdictions to assist the business community in economic development.

Tax increment financing is a funding mechanism that allows increases in local property values to fund the construction of public infrastructure, land acquisition, traffic control, and other improvements that will stimulate economic development and job creation efforts.

Members of the State Legislature, recognizing the benefits of tax increment financing to local communities, sponsored several bills in 2013 that restored, in various levels, some sort of tax increment financing. Included in the proposals were the revamping of Infrastructure Financing Districts (IFD); the creation of Job and Infrastructure Financing Districts, Community Revitalization and Investment Authorities, Sustainable Community Investment Authorities; and most recently, the California Jobs and Education Development Initiative Act (JEDI Act). The common factor in all of the aforementioned proposals is the use of tax increment financing to foster economic development and job creation.

## Low Income Housing Tax Credit (LIHTC) Program

**Issue:** The California Tax Credit Allocation Committee (CTCAC) is considering updating the geographic regional apportionments of federal and state Low Income Housing Tax Credits (LIHTC).

**Action:** Urge CTCAC to increase the percentage of apportionment for the Inland Empire Region, which includes the counties of Riverside, San Bernardino and Imperial. Preserve the sustainability of the Low Income Housing Tax Credit (LIHTC) Program. Increase the per capita allocation to \$2.00 per capita. Extend the 2 year spend down period to 4 years.

Increase funding opportunities that can be leveraged to build additional affordable housing units and could replace funding depleted with RDA and reductions in HUD allocations. The current allocation for Federal Tax Credits which is the primary financing tool for affordable housing in the Country is \$1.75 per person. In addition, States must allocate and spend these tax credits within two years of allocation which is problematic as Affordable Housing Providers work to entitle and secure dwindling sources of gap financing for projects.

**Background:** The LIHTC Program is an indirect federal subsidy used to finance the development of affordable rental housing for low-income households. The LIHTC Program, which is based on Section 42 of the Internal Revenue Code, was enacted by Congress in 1986 to provide the private market with an incentive to invest in affordable rental housing. In California, responsibility for administering the program was assigned to the California Tax Credit Allocation Committee (CTCAC). CTCAC administers the federal and state LIHTC Programs. In 2004, geographic regions were revised by CTCAC which included a total of 10 regions in the State of California. The County of Riverside is included within the Inland Empire Region along with San Bernardino County and Imperial County. The Inland Empire Region was apportioned with 8% of the total tax credits in 2004 and the proposed revision would now apportion the Inland Empire Region with 9.8% of the total tax credits. In 2008, the Riverside-San Bernardino Metropolitan Statistical Area was ranked as the fourth most impacted region due to foreclosures in the nation. Given the need for affordable rental housing in the Inland Empire Region, EDA/Housing Authority strongly urges CTCAC to support the continuation of the tax credits, encourage the re-apportionment and increase the apportionment of tax credits for the Inland Empire Region above 9.8%.

The Federal Low Income Housing Tax Credit program was established to allow State allocating agencies the ability to allocate low income housing tax credits to qualified applicants. Increasing the per capita allocation could result in a statewide increase of annual units produced in the program from approximately 14,900 to more than 16,500 affordable units.



## **Trade, Exports, and International Investment**

**Issue:** Trade, Exports, and International Investment.

**Action:** Work with state delegates to develop trade, export, and international investment program that create jobs for our residents and open markets for the sale of goods and services.

**Background:** California is the ninth largest economy in the world (95 percent of the market for products and services from Riverside County is offshore and working with the legislature and administration to encourage trade, exports, and international investment is important to our economic wellbeing. Our Office of Foreign Trade-EDA, has taken a prominent leadership role in advising the state legislature and its members in both houses on trade policy. This session trade and export legislation impacting our farmers, manufactures, and international investors will be proposed by member in both houses and the administration. The Office of Foreign Trade is the advocate for these programs and will work to develop policies with the Los Angeles Port Authority and others that promote trade, the Port of Los Angeles, International Investment, and EB-5 Visa programs.

## Use of Redevelopment Bond Proceeds

**Issue:** Assemblyman Bloom estimates there are approximately \$670 million in non-housing redevelopment bond proceeds and \$134 million in housing bond proceeds issued in 2011 that cannot be spent due to the deadline by which bonds would have needed to have been sold to be eligible. These bonds were issued to finance a variety of public works projects such as infrastructure construction and repair, new public facilities and affordable housing. The bonds are held by 37 successor agencies throughout the state. The California Department of Finance (DOF) has directed successor agencies to defease, or pay off, the 2011 bonds. According to Assemblyman Bloom, 90% of these bonds cannot be defeased for 10 years, during which time nearly \$1 billion would be spent on debt service payments for the bonds. The author argues, if these bond proceeds could be expended for projects, they could generate between 16,000 and 18,000 jobs statewide, between \$2.3 and \$2.7 billion in statewide economic activity, and between \$117 and \$135 million in new state and local tax revenues.

**Action:** Support Assembly Bill 981 (Bloom), which expressly authorizes successor agencies to use proceeds of bonds issued by redevelopment agencies between January 1, 2011 and June 28, 2011 for projects of former redevelopment agencies. Specifically, this bill:

- 1) Extends, from January 1, 2011 to June 28, 2011, the date by which an entity that has assumed the housing functions in the winding down of redevelopment can designate the use of, and commit, indebtedness obligation proceeds issued for affordable housing purposes.
- 2) Allows, upon the issuance of a finding of completion by the DOF, successor agencies to use redevelopment bond proceeds issued between January 1, 2011 and June 28, 2011.

**Background:** In 2011, the Legislature approved and the governor signed two measures, ABX1 26 and ABX1 27 that together dissolved redevelopment agencies as they existed and created a voluntary redevelopment program on a smaller scale. In response, the California Redevelopment Association, the League of California Cities and other parties, filed suit challenging the two measures. The Supreme Court denied the petition for peremptory writ of mandate with respect to ABX1 26 and granted the petition with respect to ABX1 27. As a result of the court's decision, all redevelopment agencies were required to dissolve as of February 1, 2012 and there was no authority for any new redevelopment program.

AB 1484 (Blumenfield), Chapter 26, made the statutory changes needed to achieve budget savings related to the dissolution of redevelopment agencies. AB 1484 clarified the process for dissolving all redevelopment agencies, made various statutory changes associated with the dissolution of redevelopment agencies, and addressed a number of substantive issues related to administrative processes, affordable housing activities, repayment of loans from communities, use of existing bond proceeds and the disposition or retention of former redevelopment agency assets. AB 1484 specified all proceeds from bonds issued in 2011 must be defeased, the exception being if the redevelopment agency has enforceable obligations with third parties to spend the proceeds.

One of the provisions in AB 1484 allowed successor agencies that received a finding of completion from DOF additional discretion regarding former agency real property assets, loan repayments to the local government community that formed the agency, and use of proceeds

from bonds issued by the former redevelopment agency. In order to receive the finding of completion, the successor agency must undergo specified due diligence reviews and make the required payments to DOF.

## Affordable Housing

**Issue:** The elimination of redevelopment has drastically limited the County of Riverside's ability to produce needed affordable housing and meet its Regional Housing Needs Assessment (RHNA) Allocation Plan. The RHNA is mandated by State Housing Law as part of the periodic process of updating local housing elements of the General Plan and quantifies the need for housing within each jurisdiction during specified planning periods. Every general plan must contain a housing element that makes "adequate provision for the existing and projected housing needs of all economic segments of the community." The housing element is a planning document, requiring the community to plan for meeting its "fair share" of regional housing market need. Maximum flexibility for staff is required to support, oppose, or neutral on numerous bills on this topic.

**Action:** Support Senate Bill 391 (DeSaulnier), which establishes the California Homes and Jobs Act of 2013 (the Act) to provide funding for affordable housing. Specifically, this bill:

- 1) Beginning January 1, 2014, imposes a \$75 fee on every real estate instrument, paper or notice required or permitted by law, excluding documents recorded in connection with a transfer that is subject to a documentary transfer tax.
- 2) Requires the fee, minus any administrative costs of the county recorder for collection, to be transferred quarterly to the Department of Housing and Community Development (HCD) and deposited into the Homes and Jobs Trust Fund.
- 3) Allows money in the Trust Fund, upon appropriation by the Legislature, to be used to support the development, acquisition, rehabilitation and preservation of housing affordable to low- and moderate-income households, as specified.
- 4) Requires HCD, in consultation with the California Housing Finance Agency, the California Tax Credit Allocation Committee and the California Debt Limit Allocation Committee to develop a California Homes and Jobs Trust Fund Investment Strategy.
- 5) Requires HCD to submit the first investment strategy to the Legislature as part of the Governor's May Revision of the Budget Act in 2014-15 and every five years after as part of the Budget Act beginning in 2019-20.
- 6) Requires the Bureau of State Audits to conduct periodic audits to ensure that the annual allocation to individual programs is awarded in a timely fashion beginning two years from the bill's effective date.

**Background:** Historically, the state has invested in low- and moderate-income housing primarily by providing funding for construction. Because of the high cost of land and construction and the subsidy needed to keep housing affordable to residents, affordable housing is expensive to build. Developers typically use multiple sources of financing, including voter-approved housing bonds, state and federal low- income housing tax credits, private bank financing, and local matching dollars.

Voter-approved bonds have been an important source of funding to support the construction of affordable housing. Proposition 46 of 2002 and Proposition 1C of 2006 together provided \$4.95 billion for affordable housing. These funds financed the construction, rehabilitation, and preservation of 57,220 affordable apartments, including 2,500 supportive homes for people experiencing homelessness, and over 11,600 shelter spaces. In addition,

these funds have helped 57,290 families become or remain homeowners. Nearly all of these funds have been awarded.

Until 2011, the Community Redevelopment Law required redevelopment agencies to set aside 20% of all tax increment revenue to increase, improve, and preserve the community's supply of low- and moderate-income housing. In FY 2009-10, redevelopment agencies collectively deposited \$1.075 billion of property tax increment revenues into their low- and moderate-income housing funds. With the elimination of redevelopment agencies, this source of funding for affordable housing is no longer available.

This bill applies the \$75 fee to the recording of all real estate-related documents, except those recorded in connection with a transfer subject to the imposition of a documentary transfer tax, and those expressly exempted from payment of recording fees, which are documents made in connection with the sale of real property from the new fee. There are many types of documents that fall under the proposed fee including deeds, grant deeds, notices of default, easements and quitclaim deeds.

While SB 391 states that the charge it imposes is a fee, Legislative Counsel keyed earlier version of the measure a tax increase for the purposes of Section III of Article XIII A of the California Constitution. As such, the measure requires the approval of 2/3 of the membership of the Senate and the Assembly to be enacted. Prior to 2010, specified fees could be enacted by majority vote, but this authority was significantly limited by Proposition 26 (2010). The bill also contains an urgency clause and an amendment to a continuous appropriation, both of which require a 2/3 vote.

## Regional Housing Needs Assessment

**Issue:** The elimination of redevelopment has drastically limited the County of Riverside's ability to produce needed affordable housing and meet its Regional Housing Needs Assessment (RHNA) Allocation Plan. The RHNA is mandated by State Housing Law as part of the periodic process of updating local housing elements of the General Plan and quantifies the need for housing within each jurisdiction during specified planning periods. Every general plan must contain a housing element that makes "adequate provision for the existing and projected housing needs of all economic segments of the community." The housing element is a planning document, requiring the community to plan for meeting its "fair share" of regional housing market need.

**Action:** Support Assembly Bill 1229 (Atkins), which expressly authorizes the legislative body of a city or county to establish inclusionary housing requirements as a condition of development. Specifically, this bill:

- 1) Authorizes the legislative body of a city or county to establish, as a condition of development, inclusionary housing requirements, which may require the provision of residential units affordable to and occupied by lower-income, very low-income, or extremely low-income owners or tenants.
- 2) States the Legislature's intent to supersede any holding or dicta in *Palmer/Sixth Street Properties, L.P. v. City of Los Angeles* (2009) 175 Cal.App.4th 1396, to the extent that the opinion in that case conflicts with the authority of local governments to adopt inclusionary housing requirements, and specifies that the bill does not otherwise enlarge or diminish the authority of a jurisdiction beyond those powers that existed as of July 21, 2009.

**Background:** Article XI, Section 7 of the California Constitution grants each city and county the power "to make and enforce within its limits all local, police, sanitary and other ordinances and regulations not in conflict with general laws." This is generally referred to as the police power of local governments. The Planning and Zoning Law is a general law that sets forth minimum standards for cities and counties to follow in land use regulation, but the law also establishes the Legislature's intent to "provide only a minimum of limitation in order that counties and cities may exercise the maximum degree of control over local zoning matters."

Using this police power, many cities and counties have adopted ordinances, commonly called "inclusionary zoning" or "inclusionary housing" ordinances, that require developers to ensure that a certain percentage of housing units in a new development be affordable to lower-income households. Approximately 140 jurisdictions in California currently have inclusionary zoning ordinances. These ordinances vary widely in the percentage of affordable units required, the depth of affordability required, and the options through which a developer may choose to comply. Most, if not all, such ordinances apply to both rental and ownership housing.

Local inclusionary housing programs have proven to be one of the most effective tools for producing new homes affordable to working families and creating strong, diverse neighborhoods with a range of housing choices. Inclusionary ordinances have provided quality affordable housing to over 80,000 Californians, including the production of an estimated 30,000 units in the last decade alone. While many of these local programs have been in place for decades, the recent Palmer decision has created uncertainty and confusion for local governments and housing advocates regarding the future viability of this important local land use tool.

## State Water Bond Revision

**Issue:** Provision for California to meet its existing commitments in legal settlements involving public trust water assets.

**Action:** To protect AB 1331 language providing \$500 Million to fulfill state legal obligations under water settlements such as the QSA that impact the Salton Sea ; and to amend IRWMP provisions on Colorado River Basin to include Salton Sea

**Background:** Riverside County joins the Salton Sea Authority and it other local government partner agencies in calling for a water bond that will provide the keys to unlock the chains that bind a region suffering from the worst economic and environmental conditions in California. Passage of such a bond will simultaneously set in motion the development of America's renewable energy powerhouse at the Salton Sea.

This transformation from despair and decay to health and prosperity could become the greatest enduring legacy of California legislators who support this provision in the proposed revisions to a water bond for the state ballot in November 2014.

Specifically, concurrence for a final water bond is requested to be consistent with provisions in AB 1331 that maintain the ability of the state of California to meet its existing commitments in legal settlements involving public trust water assets. (Ref: AB 1331 – Asm WP&W Cmte: Chapter VI, Sec 79733(a)2)

Under a Federal mandate to reduce its reliance on Colorado River water, the State undertook an intensive mediation effort in 2003 to settle disputes among water agencies in southern California.

The state role was pivotal to a water transfer agreement between the Imperial Irrigation District (IID) and the San Diego Water Authority (San Diego), whereby IID would agree to conserve and transfer water to San Diego that would have otherwise gone to the Salton Sea.

The Legislature codified the water transfer, known as the Quantification Settlement Agreement (Stats 2003, Chapters 611, 612, 613), declaring the intent of the State of California to undertake the restoration of the Salton Sea ecosystem and the permanent protection of the wildlife dependent on the ecosystem.

In an MOU between the state and the litigating parties, the state agreed to make itself “unconditionally liable” for mitigating the environmental impacts related to the transfer above the first \$133 million in costs (Quantification Settlement Agreement MOU Section 4).

While it is not fully known what it will cost to mitigate the environmental impacts of the transfer, a similar water transfer in Los Angeles, whereby water from Lake Owens was diverted to the City of Los Angeles, has resulted in over \$1.2 billion in environmental mitigation costs to date.



This settlement averted a collapse of water compacts that would have otherwise threatened billions of dollars in commerce and the ability to provide adequate drinking water to millions of residents and businesses in the metropolitan areas of Southern California.

A decade has passed since the state committed to action that will sustain a healthy Sea consistent with the terms of the Quantitative Settlement Agreement. During that time, the state has done very little to reverse the decline of the Salton Sea.

With enormous opportunities to finance restoration still at hand, it is not too late for the State of California to realize the great promise of an environmentally and economically transformed Salton Sea.

By fulfilling its legal obligations, the state can begin to mitigate mounting costs and liabilities from a looming environmental disaster, one that hits hardest at those least able to withstand the devastation – the poorest of the state’s poor people living around the Sea.

Compounding the benefit, is an anticipated easing in state costs to mitigate destruction to the environment, human health and the economy in the absence of action by the SSA and its local government partners.

The water bond revisions are being proposed at the perfect time to reinforce local Salton Sea restoration actions that will complement the state fiduciary duty and public trust requirements in the water transfer program. This synergistic approach to the two programs will reduce the financial obligation on the state for water transfer mitigation.

Funding these existing state legal obligations will contribute regional water stability, economic prosperity and ecosystem sustainability in a manner that is legally proper, financially sound and imperative to uphold the state’s fiduciary duty and public trust.

Specifically, concurrence for a final water bond is requested to be consistent with longstanding state policy codified by the California Resources Agency and implemented through the Department of Water Resources and the latest version of the updated State Water Plan establishing Integrated Regional Watershed Management Plans as the optimum methodology for achieving maximum return on investment of public funds intended to achieve water resource sustainability statewide, on a watershed by watershed basis. Ref: AB 1331 – Asm WP&W Cmte: Chapter VII, Sec 79744(b)11)

State water bonds in the past have properly acknowledged the importance of IRWMP but in the case of the Colorado River Basin, the application of this funding to achieve watershed sustainability has been sidestepped. This new bond must not repeat the mistakes of the past in distributing funds for plans that bifurcate the Colorado Basin along geopolitical lines and then further dis-integrate the remaining split “watersheds” by entirely omitting the lower portion of the watershed (i.e., Salton Sea) where America’s second largest migratory waterfowl habitat exists in a state of severe decline due in part, to this exclusion.

The newly proposed water bond must honor the holistic approach to IRWMP by appropriating funds to an integrated regional watershed management plan that does not exclude any part of the Colorado River Basin.

## Older Californians Act Funding

**Action:** Support Restoration of funding for the Older Californians Act State Community Based Service Programs

**Background:** Area Agencies on Aging (AAA), established under Older Americans Act (OAA) in 1973, receive federal, state, and local funds to contract with local organizations for service to seniors. There are 33 AAA's designated by the California Department of Aging as the local Planning Services Agencies. Riverside County Office on Aging was designated on June 18, 1974, by the Board of Supervisors, as a County Department on Aging for Planning and Service Area (PSA) 21. It serves as the official Area Agency on Aging throughout Riverside County, California.

The Mello-Granlund Older Californians Act (AB2800), signed into law in 1996, moved the primary focus for the delivery of services from the State to the local level. It identified area agencies on aging as the local units in California to administer programs in compliance with the Older Americans Act, the Older Californians Act, and other applicable regulations.

Effective October 1, 2009, the governor eliminated funding for the State Community Based Service Programs. Although the programs remain in statute in the Older Californians Act, funding has not been restored. The FY2010-11 legislative budget package submitted to the governor included restoration of funding for the Older Californians Act Community Based Service Programs (CBSP), but the governor again blue lined out the funding for these programs. The California Association of Area Agencies on Aging (C4A) actively supported the legislative budget proposal for restoration of funding for the CBSP.

**Possible Fiscal Effects:** The elimination of funding for the Older Californians Act State Community Based Service Programs has resulted in a funding cut to the Office on Aging. Riverside County programs impacted: Linkages Program, Respite Purchase of Service, Alzheimer's Day Care Resource Centers and the Brown Bag Program. Restoration of funding would provide for reinstatement of these services.

## Riverside County Probation Department

**Issue:** Probation Departments do not have the opportunity to provide peace officer training to their own probation officers.

Penal Code Chapter 4.5 Peace Officers requires that every peace officer complete an introductory training course as prescribed by the Commission on Peace Officer Standards and Training (P.O.S.T.) and each person must demonstrate proficiency on an examination developed or approved by P.O.S. T. By defining P.O.S.T. as the only agency that can proscribe training for peace officers as well as the only agency that can determine the adequacy of a peace officer's training current law precludes Probation Departments and the Board of State and Community Corrections, Standards of Training in Corrections from providing training specific to Probation Officers.

**Action:** The Probation Department recommends that the Penal Code Section 832 be re-written as follows:

- (a) Every person described in this chapter as a peace officer shall satisfactorily complete an introductory course of training prescribed by the Commission on Peace Officer Standards and Training or the Board of State and Community Corrections, Standards of Training in Corrections.
- (2) The requirement in paragraph (1) does not apply to any person who meets any of the following requirements:
  - A. Is returning to a management position that is at the second level of supervision or higher.
  - B. Has successfully re-qualified for a basic course through the Commission on Peace Officer Standards and Training or the Board of State and Community Corrections, Standards of Training in Corrections.

**Background:** Probation departments would benefit statewide since the required training could be offered internally and new hires would not have to wait for the limited training opportunities P.O.S.T. makes available to law enforcement agencies. Law enforcement agencies are given preference for PC 832 courses; an amendment to the law would allow Probation Agencies and the Board of State and Community Corrections, Standards for Training in Corrections to ensure that active Probation officers have necessary training provided in a timely manner and in a format specific to the needs of probation.

## Public Health and Medical Emergency Preparedness and Response Funding

**Issue:** Funding local health jurisdiction planning, preparedness and response to acts of terrorism, disasters, or other public health emergencies.

**Action:** Maintain and increase federal and state funding to offset the local costs associated with planning for and responding to the public health and medical consequences of terrorism, natural disasters and/or other public health emergencies.

Support the removal of restrictions on the utilization of grant funds to support personnel, including permanent and temporary staff positions and contract personnel.

Support the continued use of grant funds for the infrastructure needed for personnel, including such charges as rent, communications equipment and computer support. Continue to allow these costs to be billed as direct line items.

Support the determination of an indirect rate for grant funds that more accurately reflects the overhead costs of local public health departments.

**Background:** The terrorist activity on and after September 11<sup>th</sup> 2001, Hurricane Katrina, the October 2007 fires in Southern California and the 2009 H1N1 Pandemic Influenza response are a few examples of events that have identified the impact of terrorism, natural disasters and public health emergencies on local, state and federal medical/health response capabilities.

Recent changes in federal and state funding have placed limitations on the amount of personnel that can be supported by emergency preparedness and response grants. Although the grants allow for the utilization of contract staff, these staff are often unfamiliar with local policies and procedures, do not necessarily have a vested interest in the community in which they are working, and are often only contracted for a short period of time. In addition, some federal and state grants include contract staff in personnel caps. Grant funds provided by the state should not restrict the funding of personnel at the local level; such restrictions severely impair the ability of the local health jurisdiction to develop and support comprehensive activities to combat the evolving threats of terrorism, natural disasters and other public health emergencies.

Increases in state and federal funding are needed to augment local programs to prepare for and respond to all forms of terrorism, natural disasters or other public health emergencies. Legislation is needed which increases prevention and response capabilities and strengthens the partnerships between state, federal and local agencies to effectively identify, prevent and respond to the medical/health consequences of terrorism, disasters or other public health emergencies. Funding formulas should consider proximity to high profile, high impact targets in nearby jurisdictions as nearby jurisdictions will likely be severely impacted through the provision of mutual aid or by the influx of large numbers of people seeking shelter and/or treatment.

## **Extended Producer Responsibility**

**Issue:** Extended Producer Responsibility (EPR) - where producers of goods that contain materials requiring special handling (i.e. mercury, etc.), and are harmful to the environment if mismanaged, are accountable (along with others in the product chain) for the products across the entirety of their lifespan (from "the cradle to the grave").

**Action:** Support legislation that places responsibility for product design, distribution for sale, and collection for recycling or disposal on the producer of said product and, thereby, relieves local jurisdictions from having to bear the cost of product collection for recycling and disposal programs.

**Background:** The California law that banned the landfill disposal of items commonly referred to as Universal Wastes that are considered harmful to the environment went into effect on February 8, 2006 (CCR, Title 22, Division 4.5, Chapter 23). Universal Wastes include household batteries, fluorescent light bulbs and tubes, thermostats and other items that contain mercury, and electronic devices such as video cassette recorders, microwave ovens, cellular and cordless phones, printers, computers and radios. Since that time, Sharps have also been banned from landfill disposal.

As a result of these unfunded mandates, local governments have had to develop new programs to handle the disposition of such waste. The County of Riverside Waste Management Department collects and processes these waste items through its hazardous waste collection and landfill load check program. The two programs cover the entire County and are funded with a combination of landfill fees and grant monies. The use of public monies for the final disposition of these hard-to-handle products equates to subsidies in favor of the producers.

Extended Producer Responsibility makes the final handling of such products a cost of doing business for the producer, which more accurately reflects the true cost of the product. The costs will be worked into the purchase price and will only be borne by the users of these particular products rather than by all rate payers. Local governments (and the rate payer) will no longer have to fund costly programs for this purpose. It is hoped that by placing the life cycle burden on producers, it will result in better designs, which will reduce the toxicity of products, lessen the amount of packaging resulting in a more efficient use of materials, and in better plans for a final disposition of the product (whether it be easier recycling or proper disposal of it).

The concept of extended producer responsibility has also been applied to products that do not necessarily fall into the categories above. For instance, the Governor signed bills from the 2010 legislative session into law that involved Extended Producer Responsibility for paint and carpet. The carpet program will eventually save landfill space.

## Development of Conversion Technologies

**Issue:** Conversion Technologies - Those technologies that process through thermal (without combustion), chemical or biological means the organic portion of municipal solid waste, that remains after recycling, into useable products such as electricity and fuel, and as a result decrease the amount of solid waste disposed in landfills.

**Action:** Support legislation that encourages the development of conversion technologies by removing legislative/regulatory barriers to them and by granting diversion credit on behalf of those jurisdictions that make use of them.

**Background:** The statewide level of recycling and composting in the State of California is estimated to be 65% (for 2009, per California Department of Resources Recycling and Recovery). Still, seventy (70%) to eighty (80%) percent of all refuse landfilled each year is characterized as biomass or organic. This material could be feedstock for a number of different technologies commonly known as conversion technologies: gasification, pyrolysis, anaerobic digestion, hydrolysis, distillation, plasma arc, and fermentation. Such facilities provide additional opportunities to keep recoverable materials out of the landfill.

There has been no conversion facilities developed in the United States. Part of the problem has been government regulations. In California, pyrolysis and distillation are considered forms of "Transformation" (which is considered a kind of disposal) and are limited in terms of how much of the processed material can count toward a jurisdiction's diversion total. Feedstock sent to a transformation facility can count for no more than 10% of a jurisdiction's 50% requirement. Conversion Technologies are expensive to develop and local governments will need a number of positive factors in their favor to justify their development. Generous credit toward a jurisdiction's state mandated diversion requirement is one important factor. Conversion technologies do not incinerate the feedstock so they should not be considered transformation on facilities.

It is widely accepted by stakeholders that jurisdictions should send feedstock to a conversion facility only after the waste stream has been subjected to recycling and other diversion programs (i.e. curbside recycling, Material Recovery Facility (MRF) processing, and commercial recycling, etc.). Though conversion facilities produce worthwhile products, including some technologies producing energy, the existing infrastructure is seen as getting recyclable materials to higher and more beneficial uses. Conversion technologies can make good use of solid waste materials that are not appropriate for these other diversion programs.

Numerous conversion technology facilities are in operation in Europe and Japan. There should be more than enough cases to review in making sure the technologies can meet California's stringent environmental regulations.

## Development of Compost Facilities

**Issue:** Compost - The product resulting from the controlled biological decomposition of organic material (i.e. grasses, paper, food, etc.), which can enhance soils and decrease the amount of solid waste disposed in landfills.

**Action:** Support legislation that encourages the development of, and/or removes barriers to, compost facilities so jurisdictions have additional outlets (other than disposal) for organic materials and have an additional tool to increase their diversion rate.

**Background:** A 2010 California Department of Resources Recycling and Recovery (CalRecycle) assessment of the State's Compost and Mulch-Producing infrastructure estimated that 9.3 million tons of compostable materials were processed into an estimated 13 million cubic yards of products in 2008. Even so, it is believed that approximately 30% of all materials disposed of annually in California landfills can be processed into compost or mulch.

Composting as an industry, and a waste management process, is not using more of the compostable material available because of the difficulty establishing markets and the sometimes constraining impact of government regulations. In terms of marketing, the industry's rates have to be competitive with landfill rates in order to capture more feedstock. Products also have to meet the requirements of potential users and convince them that the application of compost will be of benefit to their soils (and crops), and that they are an adequate replacement for chemical fertilizers. Additional end markets benefit the soils and at the same time allow facilities to move product so more organic materials can be accepted for processing.

Regulations can impair the use of additional compostable material at processing facilities. For instance, current regulations call for green material to have no more than 1.0% contaminants by weight. Material collected in curbside collection programs often times have a higher level of contaminants when delivered to facilities. Regulations can be changed to increase the level of contamination permissible in green waste received at processing sites and add a maximum contamination level for material leaving compost sites. The contaminant level for material leaving a facility would have to be consistent with standards for determining when it can be used, where it can be used, or when it is to be disposed. Another regulation related issue is that rules of multiple agencies can be redundant and/or inconsistent and cause uncertainty on the part of prospective operators. Efforts to clear up conflicting requirements among regulatory agencies can assist in the development of compost facilities and the industry.

Composting is very important to local communities. It is beneficial to the environment because it replenishes soils with needed nutrients. The amount of compostable material still available for processing underscores the importance of the industry in helping jurisdictions meet, and maintain the required diversion level of 50%. Legislation that helps develop compost markets, eliminates barriers/obstacles to the industry, and enhances jurisdictions' ability to achieve/maintain a 50% diversion level must be supported by Riverside County.

## **Local Solid Waste Diversion Mandate**

**Issue:** California has adopted a Statewide 75% waste recycling goal for the year 2020 (AB 341). AB 341 included language saying the state "shall not establish or enforce a diversion rate on a city or county that is greater than the 50 percent diversion rate established pursuant to Section 41780" (from Section 41780.01 (b) of the Public Resources Code). Local jurisdictions are concerned that the 75% statewide recycling goal might one day be a mandate for them before they are capable of complying with it.

**Action:** Support legislation that keeps the local diversion mandate of 50% in place until the recycling and composting infrastructure is more developed, additional tools are available to local governments to increase diversion, including recycling options (i.e. conversion technologies), and the additional markets necessary to utilize the reclaimed resources are in place.

**Background:** Local jurisdictions in California are currently mandated to divert 50% of all solid waste from disposal in landfills. The language in Section 41780.01 (a) of the PRC regarding the 75% recycling goal reads as follows: "The Legislature hereby declares that it is the policy goal of the state that not less than 75 percent of solid waste generated be source reduced, recycled, or composted by the year 2020, and annually thereafter." It is believed that limiting the diversion to solid waste that is "source reduced, recycled or composted" forecloses the utilization of any diversion opportunities that might develop elsewhere, such as with conversion technologies. Diverse strategies are needed to create additional tools for increased diversion and market development.

AB 341 required CalRecycle to submit a report to the legislature on or before January 1, 2014, that provides strategies to achieve the 75% policy goal. The CalRecycle report will cover two topics (among others): 1) Recommendations for legislative changes, if any, that are necessary to achieve the goals of Section 41780 .01 of the PRC (which includes the Statewide 75% waste recycling goal), and 2) Report on regulatory changes, if any, that are necessary, to achieve the goals of Section 41780.01 of the PRC. It is believed that the inclusion of such information in the report can eventually lead, through discussion, to changes that require local jurisdictions to achieve 75% recycling of all solid waste generated on an annual basis or face penalties from the State. It could be assumed that some entities/agencies have to be held accountable in order for such an ambitious goal to be achieved.

The local diversion mandate of 50% should remain in place until the recycling and composting infrastructure is more developed, additional tools are available to local governments to increase diversion, including recycling options (i.e. conversion technologies), and the additional markets necessary to utilize the reclaimed resources are in place.



## **UCC Legislative Priorities**

### **Realignment**

UCC will oppose any realignment proposals that transfer additional program responsibility to counties without funding, constitutional protections, county participation and approval.

Specifically, on the 2011 Public Safety Realignment, UCC believes that current funding is not sufficient and is also concerned about the liability issues regarding this population. UCC supports efforts to provide more funding for the existing programs, and supports efforts to reduce the state prison population as long as that does not result in more inmates in county jail facilities or in the early release of prisoners. UCC also supports more funding for county jail construction in order to have adequate space to meet the requirements of Realignment and the goal of reducing recidivism.

### **State Budget Issues**

UCC will focus on the State Budget with emphasis on securing adequate funding for programs administered by counties. UCC will oppose reductions in state programs that increase the burden on county programs. UCC will oppose efforts to reduce funding without a commensurate reduction in county responsibility. UCC will further oppose any efforts to shift costs or federal penalties to counties.

The State Budget is often precarious, and it is worth noting that in previous budget years there were serious implications to counties including:

- Suspension of Proposition 1A.
- Deferrals of payments to counties.
- 2011 Public Safety Realignment.
- Cuts to transportation and Proposition 42.
- Borrowing, shifted funds, and elimination of redevelopment.
- Significant cuts to health and human services including IHSS, child welfare, CalWORKs, Medi-Cal, and foster care.
- Required county contributions to the Affordable Care Act expansion and continued responsibilities for Medi-Cal and the uninsured.

On top of the recent budget cuts, UCC also notes that historically the state has raided county revenue, beginning with the shift of property taxes from counties to the state (ERAF, 1992) which contributes to the overall difficulty of financing services at the local level. In addition, since 2001 the shortfall between actual county expenses and state reimbursement for state programs has grown to over \$1 billion annually, creating a de facto cost shift (i.e. the Human Services Funding Deficit). This funding gap forces counties to reduce services to vulnerable populations and/or divert scarce county resources from other critical local services. It also increases the risk of state and federal penalties.

With that in mind, UCC believes that the Budget must not be balanced with cuts alone. Further, closing the budget shortfall with additional borrowing simply delays resolution of the problem.

The possibility of continuing structural deficits requires reform of California's system of state-local finance so that both Boards of Supervisors and the Legislature have the tools necessary to provide the services and facilities necessary to meet the expectations and needs of our citizens.

**Health Care Reform (Affordable Care Act Implementation)**

UCC will work on the implementation of required Health Care Reform measures to maximize Federal revenue including the implementation of AB 85 which details the county role and responsibilities. UCC will support efforts to provide counties with the necessary tools to implement Health Care Reform which may include counties performing eligibility and enrollment, preserving existing county resources from 1991 Realignment, providing for a smooth transition in 2014 for the various operational systems, and supporting legislation to ensure that low-income families are covered under the Affordable Care Act while opposing legislation which would reduce Medi-Cal eligibility. In addition, UCC will work to reduce counties uncompensated health care costs and on the adequacy of rates under the new health care system.

**CEQA Reform**

UCC will continue to work with other public agency associations to ensure that local governments are included in CEQA reform discussions by the Legislature. UCC will support efforts to improve the CEQA process and requirements where appropriate including the preparation of master environmental documents and the use of tiered EIRs and negative declarations, while maintaining county land use decision-making authority.

**Public Retirement Systems**

UCC supports pension reform proposals that achieve the objective of financial sustainability for county budgets and the county's ability to maintain service levels.

**Mandate Reimbursement**

UCC will oppose future efforts to eliminate the mandate reimbursement provisions from existing law and will support efforts to clarify that any future changes to the California Public Records Act or the Ralph M. Brown Act should be analyzed for the cost impact to local governments and allow for reimbursement of any potential new costs. **UCC also supports efforts to require the state to pay the mandate reimbursements currently owed to counties.**

**Human Trafficking**

UCC will support efforts to combat the negative impact that human trafficking and sex trafficking has on victims in our communities, including the impact that this activity has on a range of county services and supports. UCC also supports efforts to provide additional tools, resources and funding to help counties address this growing problem.

## Urban Counties Caucus Legislative Policies

### Governance and Finance

1. In order to fulfill the dual roles of agent of the state and local service provider, counties must have adequate authority, flexibility, and resources. Most importantly, counties must have stable sources of revenue that enable them to both implement state law and respond to essential local priorities.
2. UCC will oppose proposals that preempt county authority. This includes attempts to eliminate local control for land use and other siting decisions.
3. UCC will support proposals that provide constitutional protections and guaranteed funding to counties under realignment. UCC will oppose proposals to realign additional program responsibility to counties without adequate funding and protections.
4. UCC opposes any efforts to reduce funding to realignment without replacing it with an adequate and ongoing alternate funding source.
5. UCC opposes the suspension of Proposition 1A.
6. UCC will support legislation that enhances or maintains a county's revenue base and oppose measures that limit a county's revenue raising authority or reduce a county's revenue from any source without a commensurate reduction in responsibility.
7. UCC will oppose formulas that discriminate against urban areas, such as by providing a high minimum funding floor to low population states and localities and not taking into account the higher cost of living, land costs, and risk factors in urban areas.
8. UCC will oppose the shift of any additional property taxes, since this is a local tax, support the return to counties of property taxes that were transferred to schools, support measures that would enhance counties' efforts to administer the property tax system, and oppose those that increase counties' unfunded responsibility for the system.
9. UCC will oppose proposals that continue or increase county responsibilities or expenses without a viable and adequate source of state or federal revenue.
10. UCC will oppose legislation that requires a new program, higher level of service, expanded employee benefits, or other cost imposed upon counties by the State without adequate ongoing funding. Further, UCC believes that counties should be reimbursed promptly and by a date certain for mandates imposed by the state. Finally, because suspended mandates create liability and fiscal issues for counties, mandates should be repealed, not suspended. **UCC will oppose any future efforts to eliminate the reimbursement for mandates required to be provided by counties.**
11. UCC will support proposals that increase a board's ability to raise local revenues.

12. UCC will support measures that maximize federal revenues.
13. UCC will support measures that reduce maintenance of effort or participation fee requirements and will oppose measures that impose additional maintenance of effort requirements on counties unless they are at least revenue neutral.
14. UCC will support measures that increase a county's flexibility to administer federal, state, or local programs. For example, UCC will support legislation that provides counties with the necessary authority to establish and manage local programs such as code enforcement of illegal dumping and littering laws.
15. UCC will oppose measures that limit a county's ability to operate in a reasonable and cost effective manner.
16. UCC will support proposals that eliminate unnecessary, redundant, or overlapping requirements for program eligibility, funding, maintenance of effort, monitoring, permitting or reporting.
17. UCC will support the equitable application of existing tax policies to ensure taxpayer compliance and dependable revenues.
18. UCC will support periodic evaluation of the economic benefit and equitable application of all tax expenditures.
19. UCC will support measures that enable counties to better exercise their responsibility to plan for, respond to, and receive reimbursement and property tax relief for emergencies and disasters.
20. UCC will support measures that meet the following goals for public retirement systems: Counties must be able to maintain retirement systems: 1) at a level of investment that is responsible and predictable, 2) that help to recruit and retain competent workers, 3) that restore the public trust in public retirement systems and the officials that run them, 4) that share financial responsibility between the counties and their employees, and 5) provide counties with the flexibility to meet local needs.
21. UCC will support measures that provide for more disclosure and transparency in public compensation at both the local and state levels. UCC will also work to educate the public and the legislature on public compensation and the services provided by counties.
22. UCC will oppose measures that restrict county flexibility in the operation of employee relations.
23. UCC will oppose measures that would have a negative fiscal impact on the worker's compensation system and support measures that reform and streamline the system.

**Health and Human Services**

1. UCC will support legislation that enhances the local safety net and its multiple components including mental health, public health, and the numerous human services that counties provide on behalf of the State and will support proposals that promote dependable, long-term funding for these services.
2. UCC will support proposals that maximize eligibility for Federal and State-funded programs. UCC will oppose proposals that diminish funding to counties.
3. UCC will support proposals that reduce the number of uninsured persons, or expand Medi-Cal coverage to low-income persons.
4. UCC will support proposals to simplify and align Medi-Cal eligibility rules and application processes to increase and expedite the enrollment of uninsured families.
5. UCC will support proposals that increase net Medicaid/Medi-Cal payments to government providers while opposing proposals that reduce such payments.
6. UCC will support proposals that use intergovernmental transfers (IGTs), health provider fees, certified public expenditures (CPEs), and other allowable methods to increase net Federal Medicaid and SCHIP matching payments to California and its health providers at no cost to the State General Fund.
7. UCC will support the use of State capital improvement funds, currently limited to hospitals, for the construction of clinics and other public health facilities and support assistance to hospitals that enables them to meet seismic safety requirements.
8. UCC will support measures and funding that strengthen the ability of the public health system to respond to chemical, biological, and other forms of terrorism.
9. UCC will support improvements in the child support collection process. UCC will support the provision of federal matching funds for child support performance incentive payments used for child support enforcement.
10. UCC supports a system of services for adolescents with drug or alcohol problems and provide adequate funding to operate such a system.
11. UCC supports continued and improved funding for substance abuse treatment and mental health services including those that provide alternatives to incarceration.
12. UCC will support a State backfill of any reduction in Federal financial participation in Federal programs, such as child support enforcement, Medicaid, and Temporary Assistance for Needy Families (TANF).
13. UCC will support proposals to hold counties harmless from fiscal penalties when the Federal or State governments do not provide additional funding commensurate with the cost of meeting new requirements or performance measures.

14. UCC supports federal funding for the 211 phone system and also supports the implementation of statewide coverage of the 211 system.
15. UCC supports Laura's Law as long as there is adequate funding and flexibility provided to counties to implement the program.

**Housing, Land Use and Transportation**

1. UCC will support measures that provide funding for local infrastructure.
2. UCC will support proposals that eliminate or revise unnecessary, redundant, or overlapping requirements for land use, planning, and permitting. This includes efforts to improve the CEQA process and requirements where appropriate including the preparation of master environmental documents and the use of tiered EIRs and negative declarations while maintaining county land use decision-making authority.
3. UCC supports maintaining a county's flexibility to use eminent domain for public projects. UCC will support limiting the circumstances where redevelopment can be used and will oppose any expansion of the definition of blight.
4. UCC will monitor activities related to tribal gaming and other tribal enterprises in urban areas with the goal that any tribal compacts include provisions that address county concerns including off-reservation impacts and the ability of counties to meet their governmental responsibilities. Any proposal to place land in trust for a tribe should require the approval of the county within which the land is located.
5. UCC will support proposals that maintain the same level of funding for bridges as in previous years and opposes any formula that would discriminate against urban counties.
6. UCC will support efforts to provide new tools for economic development contingent on new funding sources that have been approved by the affected tax entities.
7. UCC will support measures that use Cap and Trade auction revenues derived from vehicle fuels to fund transportation systems in a way that achieves AB 32 objectives and builds on the framework of SB 375 and other greenhouse reduction strategies. This includes targeting revenues and incentives toward local governments in support of regional planning goals and allocation of funding to counties based on these strategies.
8. **UCC will oppose efforts to eliminate or restrict the ability of counties to regulate land use including the siting of projects or facilities.**
9. **UCC will support measures that provide additional funding, resources, and flexibility to address the affordable housing needs in our counties.**
10. **UCC will oppose proposals that would increase or add to our responsibilities under the Regional Housing Needs Assessment (RHNA) without adequate funding.**

11. **UCC will support efforts to update the Cortese-Knox-Hertzberg Act to provide more clarification related to disincorporations and the potential impact on counties.**

**Justice**

1. Counties administer the justice system including law enforcement, jails, district attorney, public defender, and probation, and the larger counties still make maintenance of effort payments towards support of court operations. UCC will support increases in funding for justice facilities and the operational costs of the justice system.
2. UCC opposes any shift of responsibility from the state to counties' operations and court facilities.
3. UCC supports the elimination or reduction of the Maintenance of Effort requirements for urban counties related to the courts.
4. UCC will support proposals that ensure county justice agencies that interact with the courts have appropriate access to new or upgraded court computer systems at no additional cost to the county.
5. UCC will support proposals that maximize the pass-through of Federal homeland security assistance from the State to counties based on their potential terrorist threat and risk levels and responsibilities for emergency preparedness and response, law enforcement, first response, public health, and emergency medical services.
6. UCC will oppose any new proposals that would shift the responsibility of additional parolees from the state to the counties without adequate notification, documentation and funding.
7. UCC will support stable funding for front-line law enforcement including juvenile justice crime prevention, juvenile camps and parole, adult probation, and adequate facilities to house prisoners.
8. UCC will support proposals that will help counties implement the 2011 Public Safety Realignment as long as the proposal would: provide for county flexibility, eliminate redundant or unnecessary reporting, and would not transfer more responsibility without funding.
9. **UCC will support efforts to combat the negative impact that human trafficking and sex trafficking has on victims in our communities, including the impact that this activity has on a range of county services and supports. UCC also supports proposals that provide additional tools, resources and funding to help counties address this growing problem.**

## Affordable Housing

**Issue:** The elimination of redevelopment has drastically limited the County of Riverside's ability to produce needed affordable housing and meet its Regional Housing Needs Assessment (RHNA) Allocation Plan. The RHNA is mandated by State Housing Law as part of the periodic process of updating local housing elements of the General Plan and quantifies the need for housing within each jurisdiction during specified planning periods. Every general plan must contain a housing element that makes "adequate provision for the existing and projected housing needs of all economic segments of the community." The housing element is a planning document, requiring the community to plan for meeting its "fair share" of regional housing market need. Maximum flexibility for staff is required to support, oppose, or neutral on numerous bills on this topic.

**Action:** Support proposed legislation that fosters, promotes, and assists in funding the development and construction of affordable housing.

**Background:** Historically, the state has invested in low- and moderate-income housing primarily by providing funding for construction. Because of the high cost of land and construction and the subsidy needed to keep housing affordable to residents, affordable housing is expensive to build. Developers typically use multiple sources of financing, including voter-approved housing bonds, state and federal low- income housing tax credits, private bank financing, and local matching dollars.

Voter-approved bonds have been an important source of funding to support the construction of affordable housing. Proposition 46 of 2002 and Proposition 1C of 2006 together provided \$4.95 billion for affordable housing. These funds financed the construction, rehabilitation, and preservation of 57,220 affordable apartments, including 2,500 supportive homes for people experiencing homelessness, and over 11,600 shelter spaces. In addition, these funds have helped 57,290 families become or remain homeowners. Nearly all of these funds have been awarded.

Until 2011, the Community Redevelopment Law required redevelopment agencies to set aside 20% of all tax increment revenue to increase, improve, and preserve the community's supply of low- and moderate-income housing. In FY 2009-10, redevelopment agencies collectively deposited \$1.075 billion of property tax increment revenues into their low- and moderate-income housing funds. With the elimination of redevelopment agencies, this source of funding for affordable housing is no longer available.

\* Replaces pages 26 & 27

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