



**CITY OF SANTA CLARITA
AGENDA REPORT**

CONSENT CALENDAR

CITY MANAGER APPROVAL: Ken Stripling

DATE: May 28, 2019

SUBJECT: STATE LEGISLATION: ASSEMBLY BILL 1568

DEPARTMENT: City Manager's Office

PRESENTER: Masis Hagobian

RECOMMENDED ACTION

City Council adopt the City Council Legislative Committee recommendation to oppose Assembly Bill 1568 (McCarty) and transmit position statements to Assembly Member McCarty, Santa Clarita’s state legislative delegation, appropriate legislative committees, Governor Newsom, and the League of California Cities.

BACKGROUND

Assembly Bill 72 (Santiago), Chapter 370, Statutes of 2017, assigned the Department of Housing and Community Development (HCD) authority to revoke a local government’s housing element and refer a city or county who has violated the state housing law to the Office of the Attorney General (OAG). Violations to the state housing law include a city or county failing to adopt a certified housing element, reducing the zone or density on a site in its housing inventory, or discriminating against affordable housing and can result in a lawsuit by OAG against a city or county.

Governor Gavin Newsom has proposed linking housing goals with transportation funding. The proposal has included withholding transportation funds from local governments that do not have a compliant housing element and have not zoned or entitled for its annual goals based on the most recent Regional Housing Needs Assessment (RHNA).

Although the City of Santa Clarita (City) is in compliance with the state housing law and has adopted a certified housing element, there are significant concerns with Assembly Bill 1568 (AB 1568) and its impact on the preemption of state grant funding. The range of funding passed through to counties and cities as state grant funding makes the bill’s restriction too great of a risk.

AB 1568 increases punitive damages if a jurisdiction is found to be violating the state housing law or their housing element is out of compliance that goes beyond the area of housing. This bill

would prohibit cities and counties from applying for any state grant funds, except for funds protected by Article XIX of the California Constitution and funds that would assist the city or county in complying with state housing law, if the city or county has been found by HCD to have violated the state housing law or their housing element is out of compliance.

The current statute related to local violations of the state housing law does not include any due process. Therefore, if HCD finds that a jurisdiction is in violation of the state housing law or has a non-compliant housing element, this bill would restrict the jurisdiction from accessing any state grant funds, without an opportunity for due process.

Earlier versions of this bill included the Road Repair and Accountability Act (Senate Bill 1, Chapter 5, Statutes of 2017) as a state grant fund that a local jurisdiction would be restricted from receiving if found by HCD to have violated the state housing law or their housing element is out of compliance. The author amended the bill to exempt the Road Repair and Accountability Act from the group of state grant funds that would be restricted from local jurisdictions found to be non-compliant, as defined in this bill.

The City of Santa Clarita 2019 Legislative Platform includes a component consistent with the recommendation to oppose this bill. Component 29 under the “State” section of the Legislative Platform advises that the City Council, “Support legislative and regulatory efforts to ensure Santa Clarita receives its fair share of transportation revenue; based upon appropriate population statistics or proportionate to transportation tax dollars generated in the City and increase funding for local transportation, transit programs, and projects.”

Assembly Bill 1568 was introduced on February 22, 2019, and passed the Assembly Committee on Housing and Community Development (6-1-1) on April 24, 2019, and was referred to the Assembly Committee on Appropriations. The bill was designated as a two-year bill on May 16, 2019, and will be eligible for consideration beginning January 2020.

The City Council Legislative Committee met on May 6, 2019, and recommends that the City Council adopt an “oppose” position on Assembly 1568.

ALTERNATIVE ACTION

1. Adopt a “neutral” position on Assembly Bill 1568
2. Adopt a “support” position on Assembly Bill 1568
3. Take no action on Assembly Bill 1568
4. Refer Assembly Bill 1568 back to the Legislative Committee
5. Other action, as determined by the City Council

FISCAL IMPACT

The resources required to implement the recommended action are contained within the City of Santa Clarita's adopted Fiscal Year 2018-19 budget.

ATTACHMENTS

Assembly Bill 1568 Bill Text